

WEBSTER CENTRAL SCHOOL DISTRICT

BASIC FINANCIAL STATEMENTS

For Year Ended June 30, 2023



T A B L E O F C O N T E N T S

	Pages
Independent Auditors' Report	1 - 3
Management's Discussion and Analysis (Unaudited)	4 - 13
 Basic Financial Statements:	
Statement of Net Position	14
Statement of Activities and Changes in Net Position	15
Balance Sheet - Governmental Funds	16
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	17
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to Statement of Activities	18
Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position	19
Notes to the Basic Financial Statements:	20 - 52
 Required Supplementary Information:	
Schedule of Changes in District's Total OPEB Liability and Related Ratio	53
Schedule of the District's Proportionate Share of the Net Pension Liability	54
Schedule of District Contributions	55
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - General Fund	56 - 57
 Supplementary Information:	
Schedule of Change from Adopted Budget to Final Budget and Real Property Tax Limit - General Fund	58
Schedule of Capital Projects Fund - Project Expenditures and Financing Resources	59
Combining Balance Sheet - Nonmajor Governmental Funds	60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	61
Net Investment in Capital Assets/Right to Use Assets	62
Schedule of Expenditures of Federal Awards	63
 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	 64 - 65



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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Webster Central School District, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Webster Central School District, New York, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 Webster Central School District, New York, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Webster 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

Webster Central School District's 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 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 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 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, schedule of changes in District's total OPEB liability and related ratio, schedule of the District's proportionate share of the net pension liability, schedule of District contributions, and budgetary comparison information on pages 4-13 and 53-57 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 Webster Central School District's basic financial statements. The accompanying supplemental information as listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information as listed in the table of contents and schedule of expenditures of federal awards 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as listed in the table of contents and schedule of expenditures of federal awards is 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 10, 2023 on our consideration of Webster 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 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 Webster Central School District's internal control over financial reporting and compliance.

Mengel, Metzger, Barw & Co. LLP

Rochester, New York
October 10, 2023

Webster Central School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2023. This section is a summary of the School District's financial activities based on currently known facts, decisions, and/or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

Financial Highlights

At the close of the fiscal year, the total liabilities plus deferred inflows (what the district owes) exceeded its total assets plus deferred outflows (what the district owns) by \$137,751,013 (net position) an increase of \$2,103,555 from the prior year.

As of the close of the fiscal year, the School District's governmental funds reported combined fund balances of \$13,624,544 an increase of \$12,132,517 in comparison with the prior year.

New York State Law limits the amount of unreserved fund balance that can be retained by the General Fund to 4% the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$5,999,362. This amount was within the statutory limit.

General revenues which includes Federal and State Aid, Real Property Taxes, Non Property Taxes, Investment Earnings, Compensation for Loss, and Miscellaneous accounted for \$198,728,950 or 90% of all revenues. Program specific revenues in the form of Charges for services and Operating Grants and Contributions, accounted for \$20,979,339 or 10% of total revenues.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains individual fund statements and schedules in addition to the basic financial statements.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the School District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the School District's assets plus deferred outflow of resources and liabilities plus deferred inflow of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The *governmental* activities of the School District include instruction, pupil transportation, cost of food sales, general administrative support, community service, and interest on long-term debt.

The government-wide financial statements can be found on the pages immediately following this section as the first two pages of the basic financial statements.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The School District maintains six individual governmental funds; General Fund, Special Aid Fund, School Lunch Fund, Miscellaneous Special Revenue Fund, Debt Service Fund and Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the capital projects fund which are reported as major funds. Data for the special aid fund, the school lunch fund, the miscellaneous special revenue fund, and the debt service fund are aggregated into a single column and reported as non-major funds.

The School District adopts and voters approve an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund within the basic financial statements to demonstrate compliance with the budget.

The *Fiduciary Funds* are used to account for assets held by the School District in an agency capacity which accounts for assets held by the School District on behalf of others. Fiduciary funds are not reflected in the government-wide financial statement because the resources of these funds are *not* available to support the School District's programs.

The financial statements for the governmental and fiduciary funds can be found in the basic financial statement section of this report.

<u>Major Feature of the District-Wide and Fund Financial Statements</u>			
	Government-Wide Statements	Fund Financial Statements	
		<u>Governmental Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as special education, scholarship programs, and building maintenance	Instances in which the School District administers resources on behalf of someone else, such as student activities monies
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balance	Statement of fiduciary net position statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	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
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the basic financial statement section of this report.

Government-Wide Statements

The government-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 the School 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.

The two government-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets plus deferred outflow of resources and liabilities plus deferred inflow of resources, is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively. Additional non-financial factors such as changes in the District's property tax base and the condition of the school buildings and facilities must also be considered to assess the District's overall health.

All of the District's services are reported in the government-wide financial statements as governmental activities. Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes, federal and state aid, and investment earnings finance most of these activities.

Financial Analysis of the School District As A Whole

Net Position

	<u>Governmental Activities</u>		<u>Total</u>
	<u>2023</u>	<u>2022</u>	<u>Variance</u>
<u>ASSETS:</u>			
Current and Other Assets	\$ 65,708,988	\$ 118,445,843	\$ (52,736,855)
Capital Assets	225,902,160	213,389,424	12,512,736
Total Assets	<u>\$ 291,611,148</u>	<u>\$ 331,835,267</u>	<u>\$ (40,224,119)</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred Outflows of Resources	<u>\$ 74,248,395</u>	<u>\$ 97,263,259</u>	<u>\$ (23,014,864)</u>
<u>LIABILITIES:</u>			
Long-Term Debt Obligations	\$ 364,872,377	\$ 391,697,846	\$ (26,825,469)
Other Liabilities	52,299,728	40,782,210	11,517,518
Total Liabilities	<u>\$ 417,172,105</u>	<u>\$ 432,480,056</u>	<u>\$ (15,307,951)</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferred Inflows of Resources	<u>\$ 86,438,451</u>	<u>\$ 136,473,038</u>	<u>\$ (50,034,587)</u>
<u>NET POSITION:</u>			
Net Investment in Capital Assets	\$ 96,093,872	\$ 96,882,613	\$ (788,741)
<u>Restricted For:</u>			
Employment Retirement System	9,070,444	8,765,494	304,950
Capital Reserve	15,196,621	10,633,958	4,562,663
Other Purposes	24,767,241	20,289,387	4,477,854
Unrestricted	(282,879,191)	(276,426,020)	(6,453,171)
Total Net Position	<u>\$ (137,751,013)</u>	<u>\$ (139,854,568)</u>	<u>\$ 2,103,555</u>

Key Variances

- Current and Other Assets decreased as a result of the NYS ERS and TRS pension systems no longer reporting a net pension asset
- Deferred Outflows of Resources decreased as a result of changes in assumptions to be amortized decreasing for OPEB
- Long-Term Debt Obligations decreased as a result of the net difference between an increase to the net pension obligation and a decrease in the OPEB obligation
- Deferred Inflows of Resources decreased as a result of decreases to the pension system amortization of the net differences between projected and actual earnings on plan investments

The District's financial position is the product of many factors.

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

Restricted net position consists of Employment Retirement System, Capital Reserve, and Other Purposes. The remaining balance of unrestricted net position is deficit of \$282,879,191.

Changes in Net Position

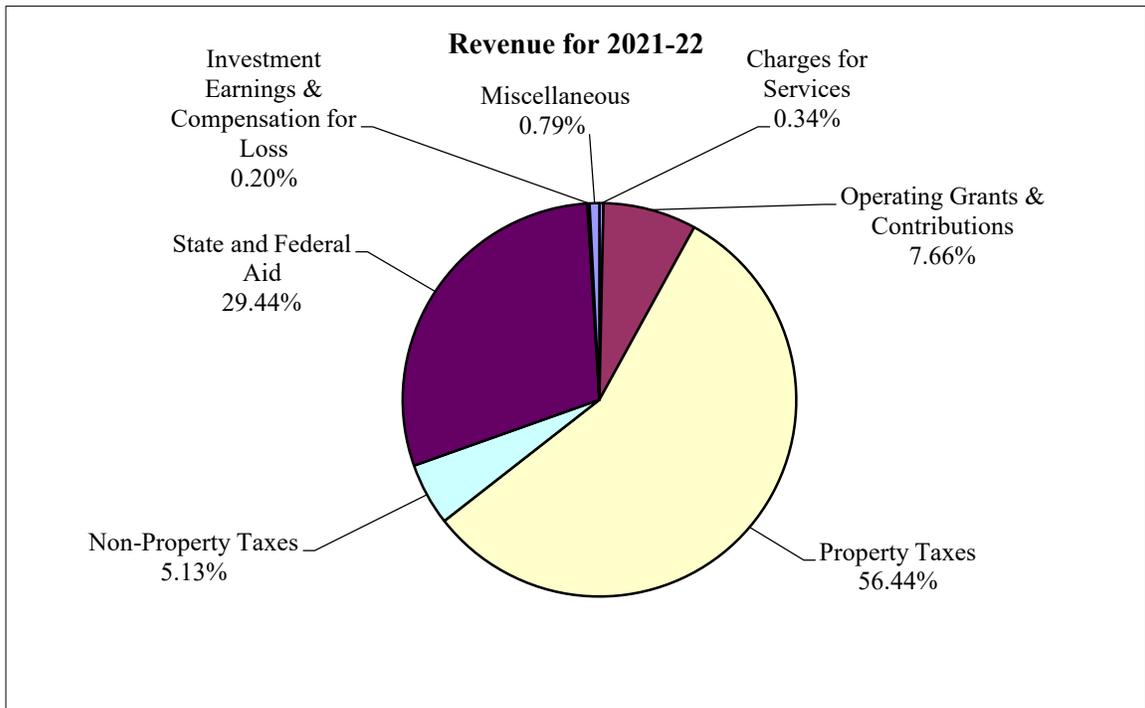
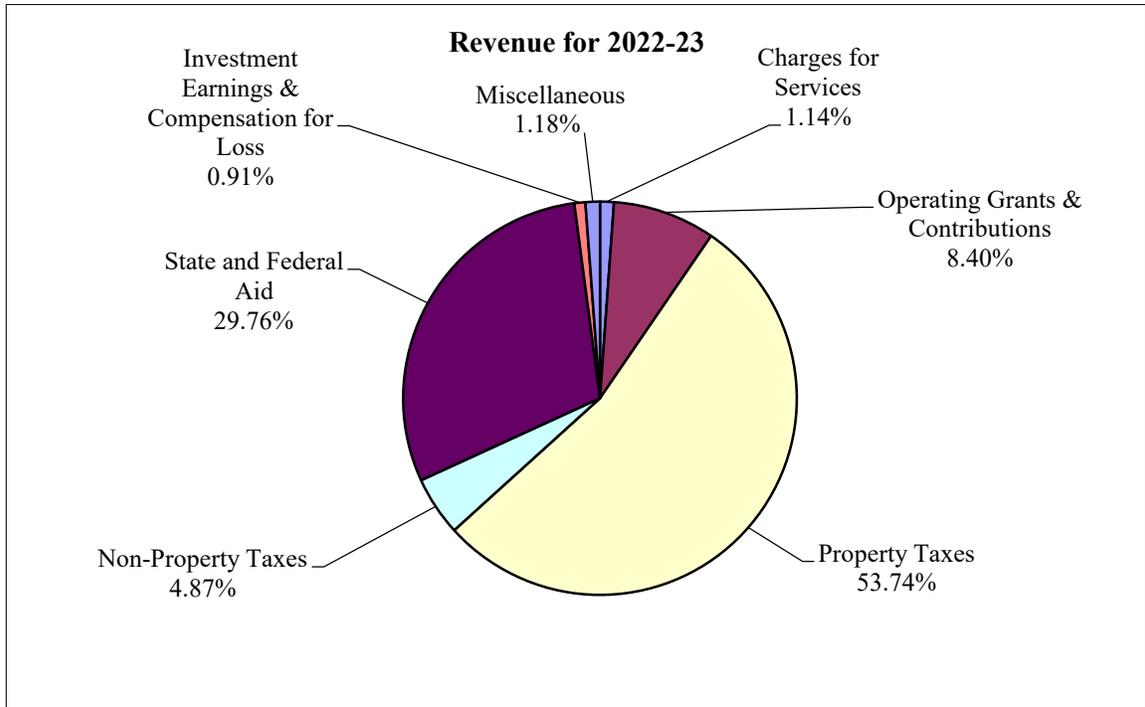
The District’s total revenue increased 7% to \$219,708,289. State and federal aid 30% and property taxes 54% accounted for most of the District’s revenue. The remaining 16% of the revenue comes from operating grants and contributions, charges for services, non property taxes, investment earnings, compensation for loss, and miscellaneous revenues.

The total cost of all the programs and services increased 17% to \$217,333,992. The District’s expenses are predominately related to education and caring for the students (Instruction) 80%. General support which included expenses associated with the operation, maintenance and administration of the District accounted for 9% of the total costs. See table below:

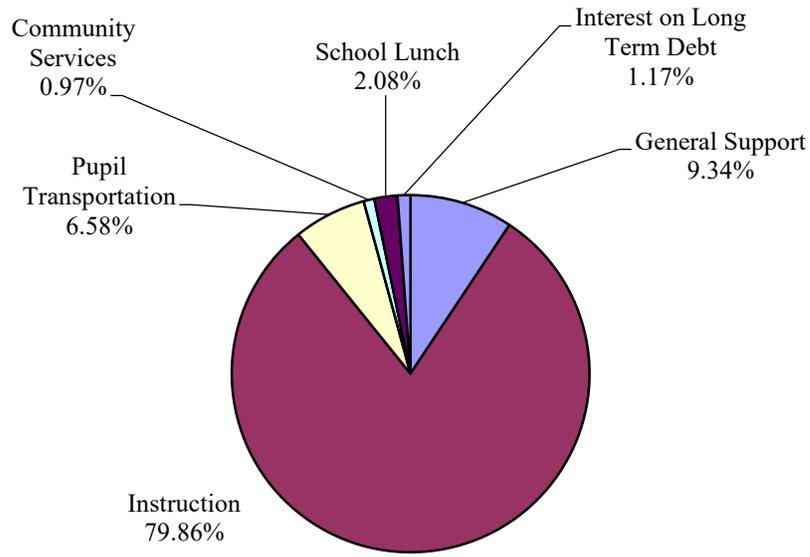
	Governmental Activities		Total Variance
	<u>2023</u>	<u>2022</u>	
<u>REVENUES:</u>			
<u>Program -</u>			
Charges for Service	\$ 2,514,298	\$ 690,718	\$ 1,823,580
Operating Grants & Contributions	18,465,041	15,741,113	2,723,928
Total Program	<u>\$ 20,979,339</u>	<u>\$ 16,431,831</u>	<u>\$ 4,547,508</u>
<u>General -</u>			
Property Taxes	\$ 118,061,052	\$ 116,066,199	\$ 1,994,853
Non Property Taxes	10,689,342	10,540,530	148,812
State and Federal Aid	65,394,628	60,543,860	4,850,768
Investment Earnings	1,896,033	362,325	1,533,708
Compensation for Loss	111,174	51,171	60,003
Miscellaneous	2,576,721	1,633,336	943,385
Total General	<u>\$ 198,728,950</u>	<u>\$ 189,197,421</u>	<u>\$ 9,531,529</u>
TOTAL REVENUES	<u>\$ 219,708,289</u>	<u>\$ 205,629,252</u>	<u>\$ 14,079,037</u>
<u>EXPENSES:</u>			
General Support	\$ 20,307,415	\$ 17,353,909	\$ 2,953,506
Instruction	173,554,694	148,075,045	25,479,649
Pupil Transportation	14,294,332	12,245,053	2,049,279
Community Services	2,097,538	1,680,485	417,053
School Lunch	4,529,052	3,839,835	689,217
Interest	2,550,961	1,926,563	624,398
TOTAL EXPENSES	<u>\$ 217,333,992</u>	<u>\$ 185,120,890</u>	<u>\$ 32,213,102</u>
INCREASE IN NET POSITION	<u>\$ 2,103,555</u>	<u>\$ 20,508,362</u>	
NET POSITION, BEGINNING OF YEAR	<u>(139,854,568)</u>	<u>(160,362,930)</u>	
NET POSITION, END OF YEAR	<u>\$ (137,751,013)</u>	<u>\$ (139,854,568)</u>	

Key Variances

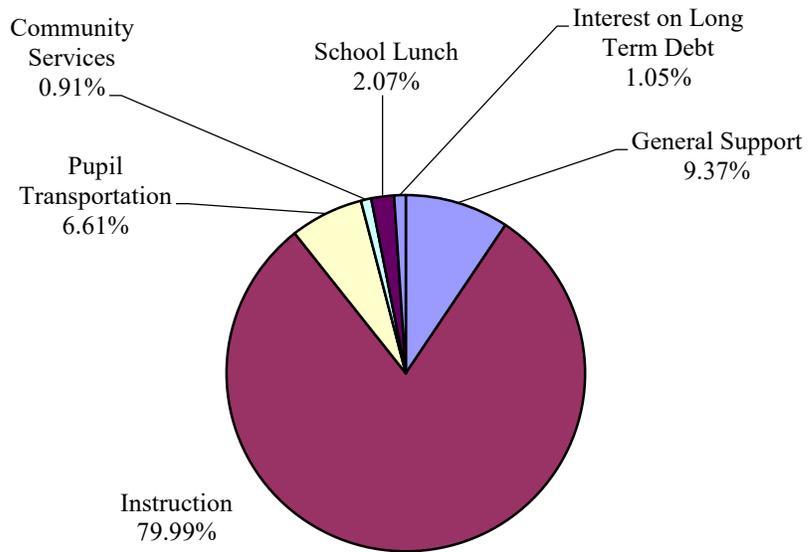
- Instruction expense increased as a result of stimulus funds and the change in the net pension system



Expenditures for 2022-23



Expenditures for 2021-22



Financial Analysis of the School District's Funds

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported combined fund balances of \$13,624,544 which is more than last year's ending fund balance of \$1,492,027.

The General Fund is the chief operating fund of the District. At the end of the current year, the total fund balance of the General Fund was \$56,973,001. Fund balance for the General Fund increased by \$8,721,516 compared with the prior year. See table below:

<u>General Fund Balances:</u>	<u>2023</u>	<u>2022</u>	<u>Total Variance</u>
Restricted	\$ 44,915,574	\$ 35,944,244	\$ 8,971,330
Assigned	6,058,065	6,055,759	2,306
Unassigned	5,999,362	6,251,482	(252,120)
Total General Fund Balances	\$ 56,973,001	\$ 48,251,485	\$ 8,721,516

The District appropriated funds from the following reserves for the 2023-24 budget:

	<u>Total</u>
Capital	\$ 4,496,000
Reserve for ERS	250,000
Reserve for TRS	500,000
Workers' Compensation	500,000
Insurance	2,000,000
Liability	1,000,000
Total	\$ 8,746,000

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was \$555,759. This change is attributable to carryover encumbrances from the 2021-22 school year.

The key factors for budget variances in the general fund are listed below along with explanations for each.

Expenditure Items:	Budget Variance Original Vs. Amended	Explanation for Budget Variance
General Support	(\$2,016,242)	Savings on BOCES costs for operational items and energy costs
Instructional	(\$1,028,905)	Federal stimulus program savings
Employee Benefits	\$3,143,930	Paid ahead for one month of healthcare, liability cleanup
Transfers Out	\$1,866,004	Final BOCES Capital Project Payment

	Budget Variance Amended Vs. Actual	
Revenue Items:		Explanation for Budget Variance
Non-Property Taxes	\$2,689,342	Sales Tax Receipts higher than expected
Use of Money and Property	\$1,385,716	Interest earnings increased dramatically
State Sources	\$3,464,597	State Aid for expense based aids increased more due to higher final 21-22 expenditures
	Budget Variance Amended Vs. Actual	
Expenditure Items:		Explanation for Budget Variance
Instructional	\$3,774,653	Use of federal funds to offset expenditures and unfilled support positions
Employee Benefits	\$1,812,852	Unfilled budgeted positions due to labor shortage as well as savings on Medicare plans

Capital Asset and Debt Administration

Capital Assets

By the end of the 2023 fiscal year, the District had invested \$219,066,993 in a broad range of capital assets, including land, work in progress, buildings and improvements, and machinery and equipment. The change in capital assets, net of accumulated depreciation, is reflected below:

	<u>2023</u>	<u>2022</u>
<u>Capital Assets</u>		
Land	\$ 2,147,912	\$ 2,147,912
Work in Progress	72,167,819	53,296,855
Buildings and Improvements	135,771,446	145,666,892
Machinery and Equipment	8,979,816	8,800,444
Total Capital Assets	<u>\$ 219,066,993</u>	<u>\$ 209,912,103</u>
<u>Lease Assets</u>		
Equipment	\$ 6,834,424	\$ 3,477,321
Subscription IT Assets	743	-
Total Lease Assets	<u>\$ 6,835,167</u>	<u>\$ 3,477,321</u>

More detailed information can be found in the notes to the financial statements.

Long-Term Debt

At year end, the District had \$364,872,377 in general obligation bonds and other long-term debt outstanding as follows:

<u>Type</u>	<u>2023</u>	<u>2022</u>
Serial Bonds	\$ 66,937,500	\$ 57,271,000
Unamortized Bond Premium	5,022,785	2,814,547
Lease Liability	5,637,856	2,727,230
OPEB	263,230,918	326,778,814
Net Pension Liability	20,858,870	-
Retainage Payable	1,055,392	-
Compensated Absences	2,129,056	2,106,255
Total Long-Term Obligations	\$ 364,872,377	\$ 391,697,846

More detailed information can be found in the notes to the financial statements.

Factors Bearing on the District's Future

For the 2022-23 fiscal year, the District was able to stay under the tax levy limit by \$600,000 while receiving the second of a three year phase in of foundation aid owed under the state aid formulas. It is anticipated for 2023-24 that the state will make good on its commitment for the final phase in. After that, the foundation aid formula projections will be made based on the data available to the district. Federal stimulus funding continues to be available on a reimbursement basis moving forward for one final year and will conclude in September of 2024. The district's allocation of roughly 14 million was approved midway through 2021-22 with a bulk of the spending to be done in the next two fiscal years primarily on extra staffing for student support and teacher training. The two most pressing items facing the district are the uncertainty of the state support due to looming economic issues and worker shortages. Worker shortages in all facets of operational areas are causing hardships to the district that are requiring contract concessions in order to maintain the workforce that could add to costs down the line. In addition, the district is planning a capital improvement project for voters in October of 2023 to address issues that arose during the Building Condition Survey from the Spring of 2022. It is projected that the use of the district's capital reserve for 10 million and the replacement of expiring debt will create a zero tax impact project for \$85 million.

Contacting the School District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the following:

Webster Central School District
119 South Avenue
Webster, NY 14580

WEBSTER CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Net Position

June 30, 2023

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 50,482,907
Investments	135
Accounts receivable	15,160,848
Inventories	65,098
Capital Assets:	
Land	2,147,912
Work in progress	72,167,819
Other capital assets (net of depreciation)	151,586,429
TOTAL ASSETS	<u>\$ 291,611,148</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources	<u>\$ 74,248,395</u>
 LIABILITIES	
Accounts payable	\$ 2,045,184
Accrued liabilities	574,967
Unearned revenues	112,617
Due to other governments	213,595
Due to teachers' retirement system	8,506,491
Due to employees' retirement system	712,121
Bond anticipation notes payable	37,500,000
Other liabilities	2,634,753
Long-Term Obligations:	
Due in one year	14,759,537
Due in more than one year	350,112,840
TOTAL LIABILITIES	<u>\$ 417,172,105</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources	<u>\$ 86,438,451</u>
 NET POSITION	
Net investment in capital assets	\$ 96,093,872
Restricted For:	
Reserve for employee retirement system	9,070,444
Capital reserves	15,196,621
Other purposes	24,767,241
Unrestricted	(282,879,191)
TOTAL NET POSITION	<u><u>\$ (137,751,013)</u></u>

(See accompanying notes to financial statements)

WEBSTER CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Activities

For The Year Ended June 30, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in</u> <u>Net Position</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Governmental</u> <u>Activities</u>
<u>Primary Government -</u>				
General support	\$ 20,307,415	\$ -	\$ -	\$ (20,307,415)
Instruction	173,554,694	719,901	16,279,904	(156,554,889)
Pupil transportation	14,294,332	-	-	(14,294,332)
Community services	2,097,538	-	-	(2,097,538)
School lunch	4,529,052	1,794,397	2,185,137	(549,518)
Interest	2,550,961	-	-	(2,550,961)
Total Primary Government	<u>\$ 217,333,992</u>	<u>\$ 2,514,298</u>	<u>\$ 18,465,041</u>	<u>\$ (196,354,653)</u>
 General Revenues:				
Property taxes				\$ 118,061,052
Non property taxes				10,689,342
State and federal aid				65,394,628
Investment earnings				1,896,033
Compensation for loss				111,174
Miscellaneous				2,576,721
Total General Revenues				<u>\$ 198,728,950</u>
Changes in Net Position				\$ 2,103,555
Net Position, Beginning of Year				<u>(139,854,568)</u>
Net Position, End of Year				<u>\$ (137,751,013)</u>

WEBSTER CENTRAL SCHOOL DISTRICT, NEW YORK

Balance Sheet

Governmental Funds

June 30, 2023

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 49,797,905	\$ (284,215)	\$ 969,217	\$ 50,482,907
Investments	-	-	135	135
Receivables	9,505,501	137,920	5,517,427	15,160,848
Inventories	-	-	65,098	65,098
Due from other funds	52,787,624	34,466,004	9,506,192	96,759,820
TOTAL ASSETS	\$ 112,091,030	\$ 34,319,709	\$ 16,058,069	\$ 162,468,808
LIABILITIES AND FUND BALANCES				
Liabilities -				
Accounts payable	\$ 1,566,226	\$ 337,538	\$ 141,420	\$ 2,045,184
Accrued liabilities	284,048	-	75,635	359,683
Notes payable - bond anticipation notes	-	37,500,000	-	37,500,000
Due to other funds	41,462,912	47,217,028	8,079,880	96,759,820
Due to other governments	208,939	-	4,656	213,595
Due to TRS	8,506,491	-	-	8,506,491
Due to ERS	454,660	-	257,461	712,121
Other liabilities	2,634,753	-	-	2,634,753
Unearned revenue	-	-	112,617	112,617
TOTAL LIABILITIES	\$ 55,118,029	\$ 85,054,566	\$ 8,671,669	\$ 148,844,264
Fund Balances -				
Nonspendable	\$ -	\$ -	\$ 65,098	\$ 65,098
Restricted	44,915,574	263,993	4,118,732	49,298,299
Assigned	6,058,065	-	3,202,570	9,260,635
Unassigned	5,999,362	(50,998,850)	-	(44,999,488)
TOTAL FUND BALANCE	\$ 56,973,001	\$ (50,734,857)	\$ 7,386,400	\$ 13,624,544
TOTAL LIABILITIES AND FUND BALANCES	\$ 112,091,030	\$ 34,319,709	\$ 16,058,069	

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

Capital assets/right to use assets used in governmental activities are not financial resources and therefore are not reported in the funds.	225,902,160
Interest is accrued on outstanding bonds in the statement of net position but not in the funds.	(215,284)
The following long-term obligations are not due and payable in the current period and therefore are not reported in the governmental funds:	
Serial bonds payable	(66,937,500)
Leases	(5,637,856)
Retainage	(1,055,392)
OPEB	(263,230,918)
Compensated absences	(2,129,056)
Unamortized bond premium	(5,022,785)
Deferred outflow - pension	50,809,055
Deferred outflow - OPEB	23,439,340
Net pension liability	(20,858,870)
Deferred inflow - advanced refunding	(327,575)
Deferred inflow - pension	(4,539,751)
Deferred inflow - OPEB	(81,571,125)
Net Position of Governmental Activities	\$ (137,751,013)

WEBSTER CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For The Year Ended June 30, 2023

	General	Capital	Nonmajor	Total
	Fund	Projects	Governmental	Governmental
	Fund	Fund	Funds	Funds
REVENUES				
Real property taxes and tax items	\$ 118,061,052	\$ -	\$ -	\$ 118,061,052
Non-property taxes	10,689,342	-	-	10,689,342
Charges for services	719,901	-	-	719,901
Use of money and property	1,800,716	-	58,915	1,859,631
Sale of property and compensation for loss	111,174	-	-	111,174
Miscellaneous	1,813,720	-	2,081,921	3,895,641
State sources	64,994,521	-	1,813,605	66,808,126
Federal sources	400,107	-	15,028,810	15,428,917
Sales	-	-	1,794,397	1,794,397
TOTAL REVENUES	\$ 198,590,533	\$ -	\$ 20,777,648	\$ 219,368,181
EXPENDITURES				
General support	\$ 17,201,301	\$ -	\$ 270,742	\$ 17,472,043
Instruction	95,489,080	-	12,624,582	108,113,662
Pupil transportation	8,918,770	1,662,376	177,488	10,758,634
Community services	805,014	-	1,186,216	1,991,230
Employee benefits	47,855,717	-	2,670,201	50,525,918
Debt service - principal	14,337,380	-	2,155,000	16,492,380
Debt service - interest	3,045,199	-	-	3,045,199
Cost of sales	-	-	1,843,220	1,843,220
Other expenses	-	-	1,659,700	1,659,700
Capital outlay	-	27,168,034	-	27,168,034
TOTAL EXPENDITURES	\$ 187,652,461	\$ 28,830,410	\$ 22,587,149	\$ 239,070,020
EXCESS (DEFICIENCY) OF REVENUES				
OVER EXPENDITURES	\$ 10,938,072	\$ (28,830,410)	\$ (1,809,501)	\$ (19,701,839)
OTHER FINANCING SOURCES (USES)				
Transfers - in	\$ -	\$ 1,966,004	\$ 250,552	\$ 2,216,556
Transfers - out	(2,216,556)	-	-	(2,216,556)
Proceeds from obligations	-	26,374,506	-	26,374,506
BAN's redeemed from appropriations	-	2,695,000	-	2,695,000
Premium on obligations issued	-	-	2,764,850	2,764,850
TOTAL OTHER FINANCING				
SOURCES (USES)	\$ (2,216,556)	\$ 31,035,510	\$ 3,015,402	\$ 31,834,356
NET CHANGE IN FUND BALANCE	\$ 8,721,516	\$ 2,205,100	\$ 1,205,901	\$ 12,132,517
FUND BALANCE, BEGINNING				
OF YEAR	48,251,485	(52,939,957)	6,180,499	1,492,027
FUND BALANCE, END OF YEAR	\$ 56,973,001	\$ (50,734,857)	\$ 7,386,400	\$ 13,624,544

(See accompanying notes to financial statements)

WEBSTER CENTRAL SCHOOL DISTRICT, NEW YORK
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to Statement of Activities
For The Year Ended June 30, 2023

NET CHANGE IN FUND BALANCES -

TOTAL GOVERNMENTAL FUNDS \$ 12,132,517

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 Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following are the amounts by which capital outlays and additions of assets in excess depreciation in the current period:

Capital Outlay	\$ 17,815,572	
Additions to Assets, Net	3,519,572	
Additions to Leases, net	7,382,006	
Depreciation	<u>(16,204,414)</u>	
		12,512,736

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position. The following details these items as they effect the governmental activities:

Debt Repayments	\$ 16,492,380	
Proceeds from Bond Issuance	(18,992,500)	
Proceeds from BAN Redemption	(2,695,000)	
Unamortized Bond Premium	(2,208,238)	
Proceeds from Lease Obligations	<u>(7,382,006)</u>	
		(14,785,364)

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (45,991)

The retainage liability does not reure the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds (1,055,392)

The net OPEB liability does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds. (2,367,883)

(Increase) decrease in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds

Teachers' Retirement System		(2,010,097)
Employees' Retirement System		(2,577,895)

Portion of deferred (inflow) / outflow recognized in long term debt 323,725

In the Statement of Activities, vacation pay, teachers' retirement incentive and judgments and claims are measured by the amount accrued during the year. In the governmental funds, expenditures for these items are measured by the amount actually paid. The following provides the differences of these items as presented in the governmental activities:

Compensated Absences		<u>(22,801)</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 2,103,555**

WEBSTER CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Fiduciary Net Position

June 30, 2023

	Custodial Funds
ASSETS	
Cash and cash equivalents	\$ 489,548
TOTAL ASSETS	<u>\$ 489,548</u>
NET POSITION	
Restricted for individuals, organizations and other governments	\$ 489,548
TOTAL NET POSITION	<u><u>\$ 489,548</u></u>

Statement of Changes in Fiduciary Net Position

For The Year Ended June 30, 2023

	Custodial Funds
ADDITIONS	
Student activity	\$ 755,810
TOTAL ADDITIONS	<u>\$ 755,810</u>
DEDUCTIONS	
Student activity	\$ 849,412
TOTAL DEDUCTIONS	<u>\$ 849,412</u>
CHANGE IN NET POSITION	\$ (93,602)
NET POSITION, BEGINNING OF YEAR	<u>583,150</u>
NET POSITION, END OF YEAR	<u><u>\$ 489,548</u></u>

WEBSTER CENTRAL SCHOOL DISTRICT, NEW YORK

Notes To The Basic Financial Statements

June 30, 2023

I. Summary of Significant Accounting Policies

The financial statements of the Webster Central School District, New York (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

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

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units* and GASB Statement No. 61, *The Financial reporting Entity*. 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 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 review of certain entities included in the District's reporting entity.

1. Extraclassroom Activity Funds

The extraclassroom activity funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The extraclassroom 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 extraclassroom activity funds can be found at the District's business office. The District accounts for assets held as an agency for various student organizations in an agency fund.

(I.) (Continued)

B. Joint Venture

The District is a component of the First Supervisory District of Monroe County Board of Cooperative Educational Services (BOCES). The BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs which provide educational and support activities. 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 school district's share of administrative and capital cost is determined by resident public school district enrollment as defined in Education Law, Section 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 \$14,997,032 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$8,063,192.

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

C. Basis of Presentation

1. Districtwide Statements

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

The Statement of Activities presents a comparison between 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.

(I.) (Continued)

2. **Fund Statements**

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

The District reports the following governmental funds:

a. **Major Governmental Funds**

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

Capital Projects Fund - Used to account for the acquisition construction or major repair of capital facilities.

b. **Nonmajor Governmental** - The other funds which are not considered major are aggregated and reported as nonmajor governmental funds as follows:

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

Special Aid Fund - This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

School Lunch Fund - Used to account for transactions of the District's lunch, breakfast and milk programs.

Miscellaneous Special Revenue Fund – used to account for and report those revenues that are restricted or committed to expenditures for specified purposes.

c. **Fiduciary** - 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.

Custodial Funds - These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the District as agent for various student groups or extraclassroom activity funds.

(I.) (Continued)

D. Measurement Focus and Basis of Accounting

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

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

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

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

E. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1, and became a lien on August 15, 2022. Taxes were collected during the period September 1 through October 31, 2022.

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

F. Restricted Resources

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

(I.) (Continued)

G. Interfund Transactions

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowing. 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 expenditures 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.

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 VII for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

H. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

I. 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 the 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.

(I.) (Continued)

J. Receivables

Receivables are shown net of an allowance for uncollectible accounts, when applicable.

In addition, the District will report a receivable relating to a lease arrangement. The receivable is recorded at the present value of the future payments and recognized over the life of the lease.

K. Inventory and Prepaid Items

Inventories of food and/or supplies for school lunch are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value which approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount.

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

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

L. Capital Assets

In the District-wide financial statements, capital assets are accounted for at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their acquisition value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$5,000 is used to report capital assets. The range of estimated useful lives by type of assets is as follows:

<u>Class</u>	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 50,000	SL	15-50 Years
Machinery and Equipment	\$ 5,000	SL	5-25 Years

The investment in infrastructure type assets have not been segregated for reporting purposes since all costs associated with capital projects are consolidated and reported as additions to buildings and improvements.

(I.) (Continued)

M. Right To Use Assets

The District-wide financial statements, right-to-use-assets are reported within the major class of the underlying asset and valued at the future minimum lease payment. Amortization is between 3 and 10 years based on the contract terms and/or estimated replacement of the assets.

N. Unearned Revenue

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

O. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

P. Vested Employee Benefits

1. Compensated Absences

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

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

The 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.

(I.) (Continued)

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

Q. Other Benefits

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

In addition to providing pension benefits, the District provides post-employment health coverage to retired employees 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 may be 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 an expenditure.

R. Short-Term Debt

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 a BAN issued for capital purposes be converted to long-term financing within five years after the original issue date.

S. Accrued Liabilities and Long-Term Obligations

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

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.

T. Equity Classifications

1. District-Wide Statements

In the District-wide statements there are three classes of net position:

- a. Net Investment in Capital Assets** - consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

(I.) (Continued)

b. **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.

On the Statement of Net Position the following balances represent the restricted for other purposes:

	<u>Total</u>
Workers' Compensation	\$ 4,553,250
Unemployment Costs	1,220,553
Retirement Contribution - TRS	3,330,593
Insurance	2,000,000
Tax Certiorari	4,185,255
Scholarships	199,278
Debt	3,919,454
Liability	4,323,531
Employee Benefit Accrued Liability	1,035,327
Total Net Position - Restricted for Other Purposes	<u><u>\$ 24,767,241</u></u>

c. **Unrestricted Net Position** - reports the balance of net position that does not meet the definition of the above two classifications . The reported deficit of \$282,879,191 at year end is the result of full implantation of GASB #87 regarding lease obligations.

2. **Fund Statements**

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

a. **Nonspendable Fund Balance** – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes inventory in School Lunch of \$65,098.

b. **Restricted Fund Balances** – 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:

Reserve for Debt Service - According to General Municipal Law §6-1, the Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of the sale. Also, earnings on project monies invested together with unused proceeds are reported here.

(I.) (Continued)

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

<u>Name of Reserve</u>	<u>Maximum Funding</u>	<u>Total Funding Provided</u>	<u>Total Year to Date Balance</u>
2017 Capital Reserve	\$ 15,000,000	\$ 15,000,000	\$ 15,196,621

Employee Benefit Accrued Liability Reserve - According to General Municipal Law §6-p, must be used for the payment of accrued employee benefits due to 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.

Teachers' Retirement Reserve – General Municipal Law §6r was amended to include a Teachers' Retirement Reserve (TRS) sub-fund. The reserve has an annual funding limit of 2% of the prior year TRS salaries and a maximum cumulative total balance of 10% of the previous year's TRS salary.

Insurance Reserve - According to General Municipal Law §6-n, must be used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriation, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve, however, the annual contribution to this reserve may not exceed the greater of \$33,000 or 5% of the budget. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval.

Liability Reserve - According to General Municipal Law §1709(8)(c), must be used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and this reserve may not in total exceed 3% of the annual budget or \$15,000, whichever is greater.

(I.) (Continued)

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

Repair Reserve - 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.

Tax Certiorari Reserve - According to General Municipal Law §3651.1-a, must be used to establish a reserve fund for tax certiorari claims and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount which might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceeding in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth fiscal year after deposit of these monies.

Unemployment Insurance Reserve - 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.

Workers' Compensation Reserves- 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.

(I.) (Continued)

Encumbrances - Encumbrance accounting, under which purchase orders, contracts and other commitments of expenditures are recorded for budgetary control purposes in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as restricted fund balance in all funds other than the General Fund and School Lunch Fund, since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

Restricted fund balances include the following:

	<u>Total</u>
<u>General Fund -</u>	
Workers' Compensation	\$ 4,553,250
Unemployment Costs	1,220,553
Retirement Contribution - ERS	9,070,444
Retirement Contribution - TRS	3,330,593
Tax Certiorari	4,185,255
Liability	4,323,531
Capital Reserves	15,196,621
Employee Benefit Accrued Liability	1,035,327
<u>Capital Fund -</u>	
Restricted Fund Balance	263,993
<u>Miscellaneous Special Revenue Fund -</u>	
Scholarships	199,278
<u>Debt Service Fund -</u>	
Debt Service	3,919,454
Total Restricted Fund Balance	<u><u>\$ 49,298,299</u></u>

The District appropriated the following reserves to support next years budget:

	<u>Total</u>
Capital	\$ 4,496,000
Reserve for ERS	250,000
Reserve for TRS	500,000
Workers' Compensation	500,000
Insurance	2,000,000
Liability	1,000,000
Total	<u><u>\$ 8,746,000</u></u>

c. **Committed** - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision making authority, i.e., the Board of Education. The District has no committed fund balances as of June 30, 2023.

(I.) (Continued)

d. **Assigned Fund Balance** – Includes amounts that are constrained by the District’s intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the General Fund are classified as assigned fund balance. Encumbrances represent purchase commitments made by the District’s purchasing agent through their authorization of a purchase order prior to year-end. The District assignment is based on the functional level of expenditures.

Management has determined significant encumbrances for the General Fund to be \$219,000, the Capital Projects Fund to be \$34,000 and the Special Aid Fund to be \$19,000. The District reports the following significant encumbrances:

<u>General Fund -</u>	
General Support	\$ 221,923
Instruction	\$ 324,636
<u>Capital Projects Fund -</u>	
Capital Improvements	\$ 6,236,850
<u>Special Aid Fund -</u>	
Instructional	\$ 131,980

Assigned fund balances include the following:

	<u>Total</u>
General Fund - Encumbrances	\$ 558,065
General Fund - Appropriated for Taxes	5,500,000
Special Aid Fund - Community Programs	433,587
School Lunch Fund - Year End Equity	2,768,983
Total Assigned Fund Balance	<u>\$ 9,260,635</u>

e. **Unassigned Fund Balance** –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 school 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.

Unassigned Fund Balance - NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the 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 and encumbrances are also excluded from the 4% limitation.

(I.) (Continued)

3. Order of Use of Fund Balance

The District's policy is to apply expenditures against nonspendable 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, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the general fund are classified as restricted fund balance. In the general fund, the remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

U. New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2023, the District implemented the following new standards issued by GASB:

GASB has issued Statement No. 91, *Conduit Debt Obligations*.

GASB has issued Statement No. 93, *Replacement of Interbank Offered Rates, Paragraph 11b*.

GASB has issued Statement No. 96, *Subscription Based Information Technology*.

GASB has issued Statement No. 99, *Omnibus 2022 (leases, PPPs, and SBITAs)*.

V. Future Changes in Accounting Standards

GASB has issued Statement No. 100, *Accounting for Changes and Error Corrections-an Amendment of GASB Statement No. 62*, which will be effective for reporting periods beginning after June 15, 2023.

GASB has issued Statement No. 101, *Compensated Absences*, which will be effective for reporting periods beginning after December 15, 2023.

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

II. Changes in Accounting Principles

For the year ended June 30, 2023, the District implemented GASB Statement No. 96, *Subscription Based Information Technology Arrangements (SBITA)*. The implementation of the statement changes the reporting for SBITAs. There was no financial statement impact for the implementation of the Statement.

III. Stewardship, Compliance and Accountability

By its nature as a local government unit, the District is subject to various federal, state and local laws and contractual regulations. An analysis of the District's compliance with significant laws and regulations and demonstration of its stewardship over District resources follows.

A. Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the General Fund.

The voters of the District approved the proposed appropriation budget.

Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. 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 restriction, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. During 2022-23, the budget was increased \$555,759 for carryover encumbrances.

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 projects 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.

B. 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 yearend are presented as reservations of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred, or the commitment is paid.

C. Deficit Net Position

The District-wide net position had a deficit at June 30, 2023 of \$137,751,013. The deficit is the result of the implementation of GASB Statement 75, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", which required the recognition of an unfunded liability of \$263,230,918 at June 30, 2023. Since New York State Laws provide no mechanism for funding the liability, the subsequent accruals are expected to increase the deficit.

(III.) (Continued)

D. Deficit Fund Balance – Capital Projects Fund

The Capital Projects Fund had a deficit fund balance of \$50,734,857 at June 30, 2023, which is a result of bond anticipation notes which are used as a temporary means of financing capital projects. These proceeds are not recognized as revenue but merely serve to provide cash to meet expenditures. This results in the creation of a fund deficit which will remain until the notes are replaced by permanent financing (i.e., bonds, grants-in-aid, or redemption from current appropriations).

IV. Cash and Cash Equivalents

Credit risk: In compliance with the State Law, District investments are limited to obligations of the United States of America, obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America, obligations of the State, time deposit accounts and certificates of deposit issued by a bank or trust company located in, and authorized to do business in, the State, and obligations issued by other municipalities and authorities within the State.

Concentration of Credit risk: To promote competition in rates and service cost, and to limit the risk of institutional failure, District deposits and investments are placed with multiple institutions. The District's investment policy limits the amounts that may be deposited with any one financial institution.

Interest rate risk: The District has an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from rising interest rates.

The District's aggregate bank balances, included balances not covered by depository insurance at year end, collateralized as follows:

Uncollateralized	\$	-
Collateralized with Securities held by the Pledging Financial Institution		15,750,000
Collateralized within Trust Department or Agent		35,532,196
Total	\$	<u>51,282,196</u>

Restricted cash represents cash 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 \$49,298,299 within the governmental funds and \$489,548 in the fiduciary funds.

V. Investment Pool

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.

(V.) (Continued)

Total investments of the cooperative as of year-end are \$598,599, which consisted of \$178,981 in repurchase agreements, \$344,613 in U.S. Treasury Securities, \$14,307 in FDIC insured deposits and \$60,698 in collateralized bank deposits, with various interest rates and due dates.

The following amounts are included as unrestricted and restricted cash:

<u>Fund</u>	<u>Bank Amount</u>	<u>Carrying Amount</u>	<u>Type of Investment</u>
General Fund	\$ 598,599	\$ 598,599	NYCLASS

VI. Receivables

Receivables at June 30, 2023 for individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

<u>Description</u>	<u>Governmental Activities</u>			<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Funds</u>	
Accounts Receivable	\$ (23,691)	\$ -	\$ 86,587	\$ 62,896
Due From State and Federal	2,552,397	137,920	5,430,840	8,121,157
Due From Other Governments	6,976,795	-	-	6,976,795
Total Receivables	\$ 9,505,501	\$ 137,920	\$ 5,517,427	\$ 15,160,848

District management has deemed the amounts to be fully collectible.

VII. Interfund Receivables, Payables, Revenues and Expenditures

Interfund Receivables, Payables, Revenues and Expenditures at June 30, 2023 were as follows:

	<u>Interfund</u>			
	<u>Receivables</u>	<u>Payables</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 52,787,624	\$ 41,462,912	\$ -	\$ 2,216,556
Capital Projects Fund	34,466,004	47,217,028	1,966,004	-
Nonmajor Funds	9,506,192	8,079,880	250,552	-
Total	\$ 96,759,820	\$ 96,759,820	\$ 2,216,556	\$ 2,216,556

Interfund receivables and payables between governmental activities are eliminated on the Statement of Net Position. The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are not necessarily expected to be repaid within one year.

Transfers are used to finance certain special aid programs, support capital project expenditures, school lunch programs and debt service expenditures.

VIII. Capital Assets and Lease Assets

A. Capital Assets

Capital asset balances and activity were as follows:

<u>Type</u>	<u>Balance</u> <u>7/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2023</u>
<u>Governmental Activities:</u>				
<u>Capital Assets that are not Depreciated -</u>				
Land	\$ 2,147,912	\$ -	\$ -	\$ 2,147,912
Work in progress	53,296,855	28,223,426	9,352,462	72,167,819
<i>Total Nondepreciable</i>	<u>\$ 55,444,767</u>	<u>\$ 28,223,426</u>	<u>\$ 9,352,462</u>	<u>\$ 74,315,731</u>
<u>Capital Assets that are Depreciated -</u>				
Buildings and Improvements	\$ 272,341,800	\$ -	\$ -	\$ 272,341,800
Machinery and equipment	24,619,174	1,862,441	2,481,007	24,000,608
<i>Total Depreciated Assets</i>	<u>\$ 296,960,974</u>	<u>\$ 1,862,441</u>	<u>\$ 2,481,007</u>	<u>\$ 296,342,408</u>
<u>Less Accumulated Depreciation -</u>				
Buildings and Improvements	\$ 126,674,908	\$ 9,895,446	\$ -	\$ 136,570,354
Machinery and equipment	15,818,730	1,679,859	2,477,797	15,020,792
<i>Total Accumulated Depreciation</i>	<u>\$ 142,493,638</u>	<u>\$ 11,575,305</u>	<u>\$ 2,477,797</u>	<u>\$ 151,591,146</u>
<i>Total Capital Assets Depreciated, Net of Accumulated Depreciation</i>	<u>\$ 154,467,336</u>	<u>\$ (9,712,864)</u>	<u>\$ 3,210</u>	<u>\$ 144,751,262</u>
Total Capital Assets	<u>\$ 209,912,103</u>	<u>\$ 18,510,562</u>	<u>\$ 9,355,672</u>	<u>\$ 219,066,993</u>

B. Lease Assets

A summary of the lease and Subscription IT Assets activity during the year ended June 30, 2023 is as follows:

<u>Type</u>	<u>Balance</u> <u>7/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2023</u>
<u>Lease Assets:</u>				
Equipment	\$ 6,583,356	\$ 7,976,560	\$ 2,387,493	\$ 12,172,423
Less Accumulated Amortization	3,106,035	4,619,457	2,387,493	5,337,999
<i>Total Lease Assets, Net</i>	<u>\$ 3,477,321</u>	<u>\$ 3,357,103</u>	<u>\$ -</u>	<u>\$ 6,834,424</u>
<u>Subscription IT assets:</u>				
Subscription IT Assets	\$ -	\$ 10,395	\$ -	\$ 10,395
Less Accumulated Amortization	-	9,652	-	9,652
<i>Total Subscription IT Assets, Net</i>	<u>\$ -</u>	<u>\$ 20,047</u>	<u>\$ -</u>	<u>\$ 743</u>
Total Lease and Subscription IT Assets, Net	<u>\$ 3,477,321</u>	<u>\$ 3,377,150</u>	<u>\$ -</u>	<u>\$ 6,835,167</u>

C. Other Capital Assets (net of depreciation and amortization):

Depreciated Capital Assets (net)	\$ 144,751,262
Amortized Lease Assets (net)	6,835,167
Total Other Capital Assets (net)	<u>\$ 151,586,429</u>

(VIII.) (Continued)

D. Depreciation/Amortization expense for the period was charged to functions/programs as follows:

<u>Governmental Activities:</u>	<u>Depreciation</u>	<u>Amortization</u>	<u>Total</u>
General Government Support	\$ 184,320	\$ -	\$ 184,320
Instruction	9,555,169	4,629,109	14,184,278
Pupil Transportation	1,451,441	-	1,451,441
School Lunch	384,375	-	384,375
Total Depreciation and Amortization Expense	\$ 11,575,305	\$ 4,629,109	\$ 16,204,414

IX. **Short-Term Debt**

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

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance 7/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2023</u>
BAN	6/28/2023	4.00%	\$ 25,000,000	\$ -	\$ 25,000,000	\$ -
BAN	6/27/2024	4.50%	-	37,500,000	-	37,500,000
Total Short-Term Debt			\$ 25,000,000	\$ 37,500,000	\$ 25,000,000	\$ 37,500,000

The short-term interest expense for June 30, 2023 was composed of:

Interest Paid	\$ 1,000,000
Plus: Interest Accrued in the Current Year	14,063
Total Short-Term Interest Expense	\$ 1,014,063

X. **Long-Term Debt Obligations**

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

	<u>Balance 7/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2023</u>	<u>Due Within One Year</u>
<u>Governmental Activities:</u>					
<u>Bonds and Notes Payable -</u>					
Serial Bonds	\$ 57,271,000	\$ 18,992,500	\$ 9,326,000	\$ 66,937,500	\$ 8,767,500
Unamortized Bond Premium	2,814,547	2,424,742	216,504	5,022,785	389,700
Lease Liability	2,727,230	7,382,006	4,471,380	5,637,856	4,014,681
Total Bonds and Notes Payable	\$ 62,812,777	\$ 28,799,248	\$ 14,013,884	\$ 77,598,141	\$ 13,171,881
<u>Other Liabilities -</u>					
Net Pension Liability	\$ -	\$ 20,858,870	\$ -	\$ 20,858,870	\$ -
OPEB	326,778,814	-	63,547,896	263,230,918	-
Retainage Payable	-	1,055,392	-	1,055,392	1,055,392
Compensated Absences	2,106,255	22,801	-	2,129,056	532,264
Total Other Liabilities	\$ 328,885,069	\$ 21,937,063	\$ 63,547,896	\$ 287,274,236	\$ 1,587,656
Total Long-Term Obligations	\$ 391,697,846	\$ 50,736,311	\$ 77,561,780	\$ 364,872,377	\$ 14,759,537

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

(X.) (Continued)

Existing serial and statutory bond obligations:

<u>Description</u>	<u>Original Amount</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding 6/30/2023</u>
Serial Bonds					
Refunding	\$ 21,145,000	2014	2024	2%-5%	\$ 1,000,000
Refunding	\$ 11,480,000	2016	2023	1%-4%	2,415,000
Renovations	\$ 7,805,000	2017	2031	2%-5%	5,100,000
Bus Purchases	\$ 1,550,000	2019	2024	2%-2.25%	325,000
Refunding	\$ 2,495,000	2020	2025	2%-4%	1,060,000
Construction	\$ 16,475,000	2020	2035	4%-5%	14,115,000
Bus Purchases	\$ 1,612,000	2020	2025	2.00%	675,000
Bus Purchases	\$ 1,663,000	2021	2026	2.00%	1,025,000
Construction	\$ 23,420,000	2021	2040	2.00%	20,955,000
Bus Purchases	\$ 1,566,000	2022	2027	1.00%-2.25%	1,275,000
Construction	\$ 17,305,000	2023	2037	5.00%	17,305,000
Bus Purchases	\$ 1,687,500	2023	2028	4.00%	1,687,500
Total Serial Bonds					\$ 66,937,500
Leases					
Various Leases	\$ 11,853,796	Various	Various	0.05%-4.99%	\$ 5,637,856
Total Leases					\$ 5,637,856

The following is a summary of debt service requirements:

<u>Year</u>	<u>Serial Bonds</u>		<u>Leases</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 8,767,500	\$ 2,767,427	\$ 4,014,681	\$ 147,132
2025	5,465,000	2,202,450	1,255,684	41,706
2026	4,745,000	2,012,875	293,993	2,456
2027	4,560,000	1,835,163	73,498	19
2028	4,400,000	1,657,000	-	-
2029-33	21,150,000	5,621,300	-	-
2034-38	15,040,000	1,613,950	-	-
2039-40	2,810,000	84,600	-	-
Total	\$ 66,937,500	\$ 17,794,765	\$ 5,637,856	\$ 191,312

In prior years, the District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. \$2,400,000 of bonds outstanding are considered defeased.

(X.) (Continued)

Interest on long-term debt for June 30, 2023 was composed of:

Interest Paid	\$ 2,045,199
Less: Interest Accrued in the Prior Year	(169,293)
Plus: Interest Accrued in the Current Year	215,284
Less: Amortization of Deferred Inflows	(323,725)
Less: Amortization of Bond Premium	(216,504)
Total Long-Term Interest Expense	<u><u>\$ 1,550,961</u></u>

XI. Deferred Inflows/Outflows of Resources

The following is a summary of the deferred inflows/outflows of resources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Pension	\$ 50,809,055	\$ 4,539,751
Bonds	-	327,575
OPEB	23,439,340	81,571,125
Total	<u><u>\$ 74,248,395</u></u>	<u><u>\$ 86,438,451</u></u>

XII. Pension Plans

A. General Information

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

B. Provisions and Administration

A 10-member Board of Trustees of the New York State Teachers' Retirement Board administers TRS. TRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law (NYSRSSL). 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. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395 or by referring to the TRS Comprehensive Annual Financial report, which can be found on the System's website at www.nystrs.org.

(XII.) (Continued)

ERS 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. NYSRSSL govern obligations of employers and employees to contribute, and benefits to employees. 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. ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to NYSERS, Office of the State Comptroller, 110 State Street, Albany, New York 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at www.osc.state.ny.us/retire/publications/index.php.

C. Funding Policies

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For 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 paid 100% of the required contributions as billed by the TRS and ERS for the current year.

The District's share of the required contributions, based on covered payroll paid for the District's year ended June 30, 2023:

<u>Contributions</u>	<u>ERS</u>	<u>TRS</u>
2023	\$ 2,112,042	\$ 8,506,491

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

At June 30, 2023, 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, 2023 for ERS and June 30, 2022 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 TRS and ERS Systems in reports provided to the District.

(XII.) (Continued)

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2023	June 30, 2022
Net pension assets/(liability)	\$ (13,004,429)	\$ (7,854,441)
District's portion of the Plan's total net pension asset/(liability)	0.0606%	0.4093%

For the year ended June 30, 2023, the District recognized pension expenses of \$4,789,416 for ERS and \$9,870,456 for TRS. At June 30, 2023, 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	\$ 1,385,073	\$ 8,230,460	\$ 365,213	\$ 157,389
Changes of assumptions	6,315,789	15,236,287	69,801	3,163,991
Net difference between projected and actual earnings on pension plan investments	-	10,148,683	76,400	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	514,771	402,067	9,361	697,596
Subtotal	<u>\$ 8,215,633</u>	<u>\$ 34,017,497</u>	<u>\$ 520,775</u>	<u>\$ 4,018,976</u>
District's contributions subsequent to the measurement date	<u>712,121</u>	<u>7,863,804</u>	<u>-</u>	<u>-</u>
Grand Total	<u>\$ 8,927,754</u>	<u>\$ 41,881,301</u>	<u>\$ 520,775</u>	<u>\$ 4,018,976</u>

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

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2023	\$ -	\$ 5,779,951
2024	1,908,851	2,953,381
2025	(529,911)	(1,332,893)
2026	2,735,603	19,941,853
2027	3,580,315	2,516,703
Thereafter	-	139,526
Total	<u>\$ 7,694,858</u>	<u>\$ 29,998,521</u>

E. Actuarial Assumptions

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

(XII.) (Continued)

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2023	June 30, 2022
Actuarial valuation date	April 1, 2022	June 30, 2021
Interest rate	5.90%	6.95%
Salary scale	4.40%	5.18%-1.95%
Decrement tables	April 1, 2015- March 31, 2020 System's Experience	July 1, 2015- June 30, 2020 System's Experience
Inflation rate	2.90%	2.40%
COLA's	1.50%	1.30%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021. For TRS, annuitant mortality rates are based on plan member experience adjustments for mortality improvements based on Society of Actuaries Scale MP-2021.

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 the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2023 are summarized as follows:

<u>Long Term Expected Rate of Return</u>		
	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2023	June 30, 2022
<u>Asset Type -</u>		
Domestic equity	4.30%	6.50%
International equity	6.85%	7.20%
Global equity	0.00%	6.90%
Private equity	7.50%	9.90%
Real estate	4.60%	6.20%
Opportunistic portfolios	5.38%	0.00%
Real assets	5.84%	0.00%
Bonds and mortgages	0.00%	0.60%
Cash	0.00%	-0.30%
Private debt	0.00%	5.30%
Real estate debt	0.00%	2.40%
High-yield fixed income securities	0.00%	3.30%
Domestic fixed income securities	0.00%	1.10%
Global fixed income securities	0.00%	0.00%
Short-term	0.00%	0.00%
Credit	5.43%	0.00%

The real rate of return is net of the long-term inflation assumption of 2.5% for ERS and 2.4% for TRS.

(XII.) (Continued)

F. Discount Rate

The discount rate used to calculate the total pension liability was 5.90% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Sensitivity of the Net Pension Liability to the Discount Rate Assumption

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.90% 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-percentagepoint lower (4.90% for ERS and 5.95% for TRS) or 1-percentage-point higher (6.90% for ERS and 7.95% for TRS) than the current assumption :

	1% Decrease	Current Assumption	1% Increase
<u>ERS</u>	<u>(4.90%)</u>	<u>(5.90%)</u>	<u>(6.90%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ (31,426,127)	\$ (13,004,429)	\$ 2,389,043
<u>TRS</u>	<u>(5.95%)</u>	<u>(6.95%)</u>	<u>(7.95%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ (72,421,627)	\$ (7,854,441)	\$ 46,446,139

H. Pension Plan Fiduciary Net Position

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

	(In Thousands)	
	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2023	June 30, 2022
Employers' total pension liability	\$ 232,627,259	\$ 133,883,747
Plan net position	211,183,223	131,964,582
Employers' net pension asset/(liability)	<u>\$ (21,444,036)</u>	<u>\$ (1,919,165)</u>
Ratio of plan net position to the employers' total pension asset/(liability)	90.78%	98.60%

(XII.) (Continued)

I. Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System’s fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2023 represent the projected employer contribution for the period of April 1, 2023 through June 30, 2023 based on paid ERS wages multiplied by the employer’s contribution rate, by tier. Accrued retirement contributions as of June 30, 2023 amounted to \$712,121.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2023 are paid to the System in September, October and November 2023 through a state aid intercept. Accrued retirement contributions as of June 30, 2023 represent employee and employer contributions for the fiscal year ended June 30, 2023 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, 2023 amounted to \$8,506,491.

XIII. Postemployment Benefits

A. General Information About the OPEB Plan

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

Benefits Provided – The District provides healthcare and life insurance 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 June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1,451
Active Employees	<u>1,623</u>
Total	<u><u>3,074</u></u>

B. Total OPEB Liability

The District’s total OPEB liability of \$263,230,918 was measured as of June 30, 2023, and was determined by an actuarial valuation as of that date.

(XIII.) (Continued)

Actuarial Assumptions and Other Inputs – The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.78 percent
Salary Increases	3.53 percent, average, including inflation
Discount Rate	3.78 percent
Healthcare Cost Trend Rates	Initial rate of 5.50% increasing to an ultimate rate of 4.00% in 2075
Retirees' Share of Benefit-Related Costs	Varies depending on contract

The discount rate was based on the Bond Buyer General Obligation 20-year Municipal Bond index.

Pub-2010 Public Retirement Plans Mortality Tables, Headcount-Weighted, distinct for Teachers, General, and Safety, without separate Contingent Survivor mortality, fully generational using scale MP-2021.

C. Changes in the Total OPEB Liability

Balance at June 30, 2022	<u>\$ 326,778,814</u>
<u>Changes for the Year -</u>	
Service cost	\$ 8,639,715
Interest	9,254,534
Changes of benefit terms	(17,352)
Differences between expected and actual experience	(32,929,405)
Changes in assumptions or other inputs	(40,092,180)
Benefit payments	<u>(8,403,208)</u>
Net Changes	<u>\$ (63,547,896)</u>
Balance at June 30, 2023	<u><u>\$ 263,230,918</u></u>

Changes of assumptions and other inputs reflect the following:

- The Single Discount Rate changed from 2.83% to 3.78% effective June 30, 2023.
- The Salary scale changed from 3.44% to 3.53% effective June 30, 2023.
- Updated the mortality improvement scale to MP-2021.
- Updated healthcare cost trend rates effective June 30, 2023.
- Updated teacher's retirement tables effective June 30, 2023.

(XIII.) (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.78 percent) or 1-percentage-point higher (4.78 percent) than the current discount rate:

	1% Decrease	Discount	1% Increase
	(2.78%)	Rate	(4.78%)
		(3.78%)	
Total OPEB Liability	\$ 301,720,530	\$ 263,230,918	\$ 231,969,273

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

	1% Decrease	Healthcare	1% Increase
	(4.50%	Cost Trend Rates	(6.50%
	Increasing	(5.50%	Increasing
	to 3.00%)	Increasing	to 5.00%)
		to 4.00%)	
Total OPEB Liability	\$ 228,687,828	\$ 263,230,918	\$ 306,470,901

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$8,826,203. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
	of Resources	of Resources
Differences between expected and actual experience	\$ 20,556,970	\$ 29,357,273
Changes of assumptions	781,568	52,213,852
Contributions after measurement date	2,100,802	-
Total	\$ 23,439,340	\$ 81,571,125

(XIII.) (Continued)

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

<u>Year</u>	
2024	\$ (12,047,116)
2025	(10,513,873)
2026	(9,966,619)
2027	(10,853,844)
2028	(11,234,090)
Thereafter	(5,617,045)
Total	\$ (60,232,587)

XIV. Risk Management

A. General Information

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

B. Health Plan

The District incurs costs related to the Rochester Area School Health Plan (Plan I and Plan II) sponsored by the Board of Cooperative Educational Services, Second Supervisory District of Monroe and Orleans Counties and its component districts.

1. Plan I

The Plans objectives are to formulate, develop and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Membership in the Plan may be offered to any component district of the Monroe #1 and Monroe #2 BOCES with the unanimous approval of the Board of Directors. Voluntary withdrawal from the Plan may be effective only once annually on the last day of the Plans year as may be established by the Board of Directors. Notice of Intention to Withdraw must be given in writing to the Chairman of the Board of Directors and the Treasurer not less than thirty days prior to the end of the Plan year. Plan members bear an equal proportionate share of the Plan's assets and claim liabilities. Pursuant to the Municipal Cooperative Agreement the Plan is a risk sharing pool and all monies paid to the Treasurer shall be pooled and administered as a common fund. No refunds shall be made to a participant and no assessments are charged to a participant other than the annual premium equivalent. If surplus funds exist at the end of any fiscal year, the distribution of such funds shall be determined by the Board of Directors. This Plan's members include seventeen districts and two BOCES with the District bearing an equal proportionate share of the Plan's assets and claim liabilities.

(XIV.) (Continued)

This Plan purchases, on an annual basis, stop-loss insurance policies to limit its exposure for claims paid within any one fiscal year.

This Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expenses in the periods in which they are made. During the year ended June 30, 2023, the District incurred premiums or contribution expenditures totaling \$3,130,921.

This Plan is audited on an annual basis and is available at the BOCES administrative offices. The most recent audit available for the year ended December 31, 2022, revealed that the Plan was fully funded.

2. Plan II

The District incurs costs related to the Rochester Area School Health Plan II sponsored by the Board of Cooperative Educational Services, Second Supervisory District of Monroe and Orleans Counties (Monroe 2-Orleans BOCES). The Plan was established as a Municipal Cooperative Agreement under the authorization of Article 5-G of the General Municipal Law in 2004. The plan received a Certificate of Authority to operate as a self-funded plan under Article 47 of the New York State Insurance Law, effective January 1, 2020.

Membership in the Plan may be offered to any component school district of the Monroe 1 BOCES and Monroe 2-Orleans BOCES within the geographical boundaries of Monroe County, New York provided that the applicant provides proof of its financial responsibility that is satisfactory to the Board of Directors in its sole discretion, and the applicant is the same type of municipal corporation as the initial Participants. The Plan has full participation from all eligible participants including the two BOCES and seventeen component school districts.

A participant has the right to withdraw from the Plan, but such withdrawal shall be effective only on January 1 of the next Plan Year following the Plan Year in which the participant provides notice. Any withdrawing participant shall be responsible for its pro rata share of any Plan deficit and shall satisfy any other obligation relating to the Participant's membership in the Plan. The withdrawing participant shall not be entitled to share in any Plan surplus.

The Plan is a risk sharing pool and all monies paid to the Treasurer shall be pooled and administered as a common fund. The annual premium equivalent for each coverage option under the Plan is established and approved by a majority of the entire Board of Directors. Each participant is required to contribute to the Plan an amount equal to the Premium Equivalent applicable to the coverage options, under which the participants Enrollees are covered. If surplus funds exist at the end of any fiscal year, the distribution of such funds shall be determined by the Board of Directors.

(XIV.) (Continued)

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. Such claims estimates are based on the ultimate cost of claims that have been reported but not settled and claims that have been incurred but not reported.

The Plan is audited on an annual basis and is available at the Monroe 2-Orleans BOCES administrative offices. The most recent audit available for the year ended December 31, 2022 revealed that the Plan was fully funded.

During the year ended June 30, 2023, the District incurred premiums or contribution expenditures totaling \$26,178,313.

C. Workers' Compensation

The District incurs costs related to the Rochester Area School Workers' Compensation Plan (Plan) sponsored by the Board of Cooperative Educational Services, Second Supervisory District of Monroe and Orleans Counties and its component districts. The Plan's objectives are to furnish workers' compensation benefits to participating districts at a significant cost savings. Membership in the Plan may be offered to any component district of the Monroe #1 and Monroe #2 BOCES with the approval of the Board of Directors. Voluntary withdrawal from the Plan may be effective only once annually on the last day of the Plan year as may be established by the Board of Director. Notice of Intention to Withdraw must be given in writing to the Chairman of the Board of Directors and the Treasurer not less than one year prior to the end of the Plan year.

Plan membership is currently comprised of two BOCES and seventeen districts. If a surplus of participants' assessments exists after the close of a Plan year, the Board may retain from such surplus an amount sufficient to establish and maintain a claim contingency fund. Surplus funds in excess of the amount transferred to or included in such contingency fund shall be applied in reduction of the next annual assessment or to the billing of Plan participants. All monies paid to the Treasurer by participants shall be commingled and administered as a common fund. No refunds shall be made to a participant and no assessments are charged to a participant other than the annual premium equivalent. However, if it appears to the Board of Directors that the liabilities of the Plan will exceed its cash assets, after taking into account any "excess insurance", the Board shall determine the amount needed to meet such deficiency and shall assess such amount against all participants pro-rata per enrollee.

The Plan purchases, on an annual basis, stop-loss insurance policies to limit its exposure for claims paid.

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

Adjustments to claims liabilities are charged or credited to expenses in the periods in which they are made. During the year ended June 30, 2023, the District incurred premiums or contribution expenditures totaling \$1,027,008.

(XIV.) (Continued)

The Plan is audited on an annual basis and is available at the BOCES administrative offices. The most recent audit available for the year ended June 30, 2022, revealed that the Plan was not fully funded.

D. Dental Fund

The District has a self-insured plan for dental coverage. The plan is administered by a third-party administrator who pays the claims directly to the dentists. The District then reimburses the third-party administrator for the exact amount of the claims paid. The total cost to the District for dental claims during 2022-23 was \$1,291,372.

E. Medical Benefit Plan

The District established a medical benefit plan under Section 105 of the IRS Code. The District contributes an amount for each individual which can be used for any non-reimbursed medical benefits. The total cost to the District for this plan during 2022-23 was approximately \$652,834.

F. Unemployment

District employees are entitled to coverage under the New York State Unemployment Insurance Law. The District has elected to discharge its liability to the New York State Unemployment Insurance Fund (the Fund) by the benefit reimbursement method, a dollar-for-dollar reimbursement to the fund for benefits paid from the fund to former employees. The District has established a self-insurance fund to pay these claims. Claim and judgment expenditures of this program totaled \$25,128 for the 2022-23 fiscal year. The balance of the fund at June 30, 2023 was \$1,220,553 and is recorded in the General Fund as an Unemployment Insurance Reserve. In addition, as of June 30, 2023, no loss contingencies existed or were considered probable or estimable for incurred but not reported claims payable.

XV. Commitments and Contingencies

A. Litigation

1. The District is addressing two claims related to the child victims act. The District is reviewing possible insurance coverage. Any potential loss cannot be determined at this time.
2. There are several Article 7 Real Property Tax cases pending, some of which may be material, however, the financial outcome, if any, cannot be determined at this time.

B. Grants

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

XVI. Tax Abatement

The County of Monroe IDA, and the District enter into various property tax abatement programs for the purpose of Economic Development. As a result, the District property tax revenue was reduced \$890,081. The District received payment in lieu of tax (PILOT) payments totaling \$1,329,264 to help offset property tax reduction.

Required Supplementary Information
WEBSTER CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Changes in District's Total OPEB Liability and Related Ratio
For The Year Ended June 30, 2023

TOTAL OPEB LIABILITY								
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	
Service cost	\$ 8,639,715	\$ 9,486,365	\$ 8,992,164	\$ 7,530,744	\$ 8,199,089	\$ 8,058,335	\$ 7,611,752	
Interest	9,254,534	7,331,438	7,921,071	9,677,705	11,170,886	11,020,063	8,945,216	
Changes in benefit terms	(17,352)	1,128,202	-	1,038,869	9,628,820	-	-	
Differences between expected and actual experiences	(32,929,405)	24,787,039	(12,698,411)	(22,064,776)	(34,877,880)	53,615	32,306,239	
Changes of assumptions or other inputs	(40,092,180)	(29,438,698)	6,643,328	48,783,104	(13,756,785)	7,677,031	(19,251,283)	
Benefit payments	(8,403,208)	(7,779,553)	(8,357,663)	(7,809,970)	(7,508,650)	(7,078,204)	(6,357,075)	
Net Change in Total OPEB Liability	\$ (63,547,896)	\$ 5,514,793	\$ 2,500,489	\$ 37,155,676	\$ (27,144,520)	\$ 19,730,840	\$ 23,254,849	
Total OPEB Liability - Beginning	\$ 326,778,814	\$ 321,264,021	\$ 318,763,532	\$ 281,607,856	\$ 308,752,376	\$ 289,021,536	\$ 265,766,687	
Total OPEB Liability - Ending	\$ 263,230,918	\$ 326,778,814	\$ 321,264,021	\$ 318,763,532	\$ 281,607,856	\$ 308,752,376	\$ 289,021,536	
Covered Employee Payroll	\$ 87,679,548	\$ 80,969,533	\$ 78,276,811	\$ 75,834,926	\$ 75,834,926	\$ 61,593,845	\$ 59,620,409	
Total OPEB Liability as a Percentage of Covered Employee Payroll	300.22%	403.58%	410.42%	420.34%	371.34%	501.27%	484.77%	

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present.

Required Supplementary Information
WEBSTER CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of the District's Proportionate Share of the Net Pension Liability
For The Year Ended June 30, 2023

NYSERS Pension Plan

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (assets)	0.0606%	0.0587%	0.0575%	0.0549%	0.0557%	0.0573%	0.0566%	0.0534%	0.0500%
Proportionate share of the net pension liability (assets)	\$ 13,004,429	\$ (4,797,833)	\$ 57,291	\$ 14,546,445	\$ 3,945,598	\$ 1,847,921	\$ 5,322,915	\$ 8,572,863	\$ 1,788,064
Covered-employee payroll	\$ 19,880,298	\$ 18,770,068	\$ 18,613,021	\$ 18,206,026	\$ 17,718,558	\$ 17,320,379	\$ 16,531,449	\$ 14,487,778	\$ 15,452,589
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	65.414%	-25.561%	0.308%	79.899%	22.268%	10.669%	32.199%	59.173%	11.571%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

NYSTRS Pension Plan

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (assets)	0.4093%	0.4129%	0.3932%	0.3980%	0.3953%	0.3913%	0.3963%	0.3937%	0.3880%
Proportionate share of the net pension liability (assets)	\$ 7,854,441	\$ (71,543,066)	\$ 10,864,498	\$ (10,341,054)	\$ (7,147,171)	\$ (2,974,442)	\$ 4,244,173	\$ (40,890,569)	\$ (43,330,112)
Covered-employee payroll	\$ 79,334,743	\$ 72,836,124	\$ 70,073,998	\$ 66,734,312	\$ 66,439,011	\$ 64,381,869	\$ 62,216,678	\$ 61,151,426	\$ 59,167,042
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	9.900%	-98.225%	15.504%	-15.496%	-10.757%	-4.620%	6.822%	-66.868%	-73.234%
Plan fiduciary net position as a percentage of the total pension liability	98.60%	113.25%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present.

Required Supplementary Information
WEBSTER CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of District Contributions
For The Year Ended June 30, 2023

NYSERS Pension Plan

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 2,112,042	\$ 2,739,298	\$ 2,454,597	\$ 2,422,820	\$ 2,417,657	\$ 2,441,068	\$ 2,530,141	\$ 2,337,897	\$ 2,904,925
Contributions in relation to the contractually required contribution	(2,112,042)	(2,739,298)	(2,454,597)	(2,422,820)	(2,417,657)	(2,441,068)	(2,530,141)	(2,337,897)	(2,904,925)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 19,880,298	\$ 18,770,068	\$ 18,613,021	\$ 18,206,026	\$ 17,718,558	\$ 17,320,379	\$ 16,531,449	\$ 14,487,778	\$ 15,452,589
Contributions as a percentage of covered-employee payroll	10.62%	14.59%	13.19%	13.31%	13.64%	14.09%	15.31%	16.14%	18.80%

NYSTRS Pension Plan

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 8,506,491	\$ 7,611,170	\$ 7,080,025	\$ 6,239,111	\$ 7,353,594	\$ 6,611,120	\$ 7,573,009	\$ 8,391,557	\$ 10,646,627
Contributions in relation to the contractually required contribution	(8,506,491)	(7,611,170)	(7,080,025)	(6,239,111)	(7,353,594)	(6,611,120)	(7,573,009)	(8,391,557)	(10,646,627)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 79,334,743	\$ 72,836,124	\$ 70,073,998	\$ 66,734,312	\$ 66,786,347	\$ 64,381,869	\$ 62,216,678	\$ 61,151,426	\$ 59,167,042
Contributions as a percentage of covered-employee payroll	10.72%	10.45%	10.10%	9.35%	11.01%	10.27%	12.17%	13.72%	17.99%

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present.

Required Supplementary Information
WEBSTER CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual - General Fund
For The Year Ended June 30, 2023

	Original Budget	Amended Budget	Current Year's Revenues	Over (Under) Revised Budget
REVENUES				
Local Sources -				
Real property taxes	\$ 116,818,533	\$ 107,379,114	\$ 107,292,369	\$ (86,745)
Real property tax items	1,250,000	10,689,419	10,768,683	79,264
Non-property taxes	8,000,000	8,000,000	10,689,342	2,689,342
Charges for services	-	-	719,901	719,901
Use of money and property	415,000	415,000	1,800,716	1,385,716
Sale of property and compensation for loss	-	-	111,174	111,174
Miscellaneous	1,800,000	1,800,000	1,813,720	13,720
State Sources -				
Basic formula	60,847,357	60,847,357	41,871,550	(18,975,807)
Lottery aid	-	-	13,580,767	13,580,767
BOCES	-	-	8,063,192	8,063,192
Textbooks	682,567	682,567	373,194	(309,373)
All Other Aid -				
Computer software	-	-	255,918	255,918
Library loan	-	-	51,475	51,475
Handicapped students	-	-	749,294	749,294
Other aid	-	-	49,131	49,131
Federal Sources	-	-	400,107	400,107
TOTAL REVENUES	\$ 189,813,457	\$ 189,813,457	\$ 198,590,533	\$ 8,777,076
Appropriated reserves	\$ 500,000	\$ 500,000		
Appropriated fund balance	\$ 5,500,000	\$ 5,500,000		
Prior year encumbrances	\$ 555,759	\$ 555,759		
TOTAL REVENUES AND APPROPRIATED RESERVES/ FUND BALANCE	\$ 196,369,216	\$ 196,369,216		

Required Supplementary Information
WEBSTER CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual - General Fund
For The Year Ended June 30, 2023

	<u>Original</u> <u>Budget</u>	<u>Amended</u> <u>Budget</u>	<u>Current</u> <u>Year's</u> <u>Expenditures</u>	<u>Encumbrances</u>	<u>Unencumbered</u> <u>Balances</u>
EXPENDITURES					
General Support -					
Board of education	\$ 26,435	\$ 29,094	\$ 24,685	\$ 968	\$ 3,441
Central administration	339,459	366,984	366,625	358	1
Finance	1,090,693	920,228	920,227	-	1
Staff	1,179,862	1,318,029	1,316,952	1,077	-
Central services	14,504,690	12,186,566	11,797,217	219,520	169,829
Special items	2,471,599	2,775,595	2,775,595	-	-
Instructional -					
Instruction, administration and improvement	7,858,648	11,387,946	11,286,762	1,655	99,529
Teaching - regular school	52,918,331	46,563,880	44,196,956	244,909	2,122,015
Programs for children with handicapping conditions	18,030,592	18,370,621	17,884,720	5,286	480,615
Occupational education	1,612,532	1,612,533	1,612,533	-	-
Teaching - special schools	97,878	90,963	90,963	-	-
Instructional media	8,113,241	9,989,646	9,921,265	18,095	50,286
Pupil services	11,986,052	11,572,780	10,495,881	54,691	1,022,208
Pupil Transportation	9,405,005	9,056,363	8,918,770	4,203	133,390
Community Services	1,715,738	860,284	805,014	7,303	47,967
Employee Benefits	46,524,639	49,668,569	47,855,717	-	1,812,852
Debt service - principal	14,866,000	14,337,380	14,337,380	-	-
Debt service - interest	3,277,270	3,045,199	3,045,199	-	-
TOTAL EXPENDITURES	<u>\$ 196,018,664</u>	<u>\$ 194,152,660</u>	<u>\$ 187,652,461</u>	<u>\$ 558,065</u>	<u>\$ 5,942,134</u>
Other Uses -					
Transfers - out	\$ 350,552	\$ 2,216,556	\$ 2,216,556	\$ -	\$ -
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 196,369,216</u>	<u>\$ 196,369,216</u>	<u>\$ 189,869,017</u>	<u>\$ 558,065</u>	<u>\$ 5,942,134</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,721,516</u>		
FUND BALANCE, BEGINNING OF YEAR	<u>48,251,485</u>	<u>48,251,485</u>	<u>48,251,485</u>		
FUND BALANCE, END OF YEAR	<u>\$ 48,251,485</u>	<u>\$ 48,251,485</u>	<u>\$ 56,973,001</u>		

Note to Required Supplementary Information:

A reconciliation is not necessary since encumbrances are presented in a separate column on this schedule.

Supplementary Information
WEBSTER CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Change From Adopted Budget To Final Budget
And The Real Property Tax Limit
For The Year Ended June 30, 2023

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET:

Adopted budget	\$ 195,813,457
Prior year's encumbrances	<u>555,759</u>
Original Budget	<u>\$ 196,369,216</u>
FINAL BUDGET	<u><u>\$ 196,369,216</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION:

2023-24 voter approved expenditure budget	\$ 204,438,730
<u>Unrestricted fund balance:</u>	
Assigned fund balance	\$ 6,058,065
Unassigned fund balance	<u>5,999,362</u>
Total Unrestricted fund balance	<u>\$ 12,057,427</u>
<u>Less adjustments:</u>	
Appropriated fund balance	\$ 5,500,000
Encumbrances included in assigned fund balance	<u>558,065</u>
Total adjustments	<u>\$ 6,058,065</u>
General fund fund balance subject to Section 1318 of Real Property Tax Law	<u>5,999,362</u>
ACTUAL PERCENTAGE	<u><u>2.93%</u></u>

Supplementary Information
WEBSTER CENTRAL SCHOOL DISTRICT, NEW YORK
CAPITAL PROJECTS FUND
Schedule of Project Expenditures
For The Year Ended June 30, 2023

Project Title	Expenditures					Unexpended Balance	Methods of Financing					Fund Balance
	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total		Obligations	Local Sources	State Sources	Transfers	Total	
2014 Capital Improvement Project	\$ 12,953,473	\$ 12,953,473	\$ 12,830,047	\$ -	\$ 12,830,047	\$ 123,426	\$ 7,805,000	\$ 5,148,473	\$ -	\$ (56,598)	\$ 12,896,875	\$ 66,828
\$43,000,000 Construction Project	43,539,223	43,539,223	43,539,223	-	43,539,223	-	39,895,000	3,644,248	-	-	43,539,248	25
\$69,500,000 Construction Project	69,500,000	69,500,000	53,173,784	17,620,754	70,794,538	(1,294,538)	20,000,000	-	-	-	20,000,000	(50,794,538)
Aquatic Project	100,000	100,000	94,489	-	94,489	5,511	-	100,000	-	-	100,000	5,511
Monroe #1 BOCES project	4,276,259	4,276,259	2,410,255	1,866,004	4,276,259	-	-	4,276,259	-	-	4,276,259	-
DASNY grant	100,000	100,000	97,478	-	97,478	2,522	-	-	99,131	-	99,131	1,653
Thomas Café	-	-	-	8,837	8,837	(8,837)	-	-	-	-	-	(8,837)
2019-20 Buses	1,612,000	1,612,000	1,582,854	-	1,582,854	29,146	1,612,000	-	-	-	1,612,000	29,146
2020-21 Buses	1,663,000	1,663,000	1,649,409	-	1,649,409	13,591	1,663,000	-	-	-	1,663,000	13,591
2021-22 Buses	1,566,000	1,566,000	1,526,058	-	1,526,058	39,942	1,566,000	-	-	-	1,566,000	39,942
2022-23 Buses	1,687,500	1,687,500	-	1,662,376	1,662,376	25,124	1,687,500	-	-	-	1,687,500	25,124
2020-21 Capital Outlay Project	100,000	100,000	99,796	-	99,796	204	-	100,000	-	-	100,000	204
Emergency Elevator Project	57,853	63,638	57,853	5,785	63,638	-	-	57,853	-	-	57,853	(5,785)
2022-23 Capital Outlay Schroeder	100,000	100,000	-	98,667	98,667	1,333	-	100,000	-	-	100,000	1,333
2022-23 Project	-	-	18,482	174,194	192,676	(192,676)	-	-	-	-	-	(192,676)
Klem North Project	100,000	100,000	4,591	11,787	16,378	83,622	-	100,000	-	-	100,000	83,622
Leases	2,683,259	7,382,006	-	7,382,006	7,382,006	-	7,382,006	-	-	-	7,382,006	-
TOTAL	\$ 140,038,567	\$ 144,743,099	\$ 117,084,319	\$ 28,830,410	\$ 145,914,729	\$ (1,171,630)	\$ 81,610,506	\$ 13,526,833	\$ 99,131	\$ (56,598)	\$ 95,179,872	\$ (50,734,857)

Supplementary Information
WEBSTER CENTRAL SCHOOL DISTRICT, NEW YORK
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Special Aid Fund	School Lunch Fund	Miscellaneous Special Revenue Fund	Debt Service Fund	
ASSETS					
Cash and cash equivalents	\$ 402,606	\$ 566,611	\$ -	\$ -	\$ 969,217
Investments	-	-	135	-	135
Receivables	5,421,355	96,072	-	-	5,517,427
Inventories	-	65,098	-	-	65,098
Due from other funds	2,288,837	3,050,934	199,643	3,966,778	9,506,192
TOTAL ASSETS	\$ 8,112,798	\$ 3,778,715	\$ 199,778	\$ 3,966,778	\$ 16,058,069
LIABILITIES AND FUND BALANCES					
<u>Liabilities</u> -					
Accounts payable	\$ 69,535	\$ 71,885	\$ -	\$ -	\$ 141,420
Accrued liabilities	6,988	21,323	-	47,324	75,635
Due to other funds	7,598,338	481,042	500	-	8,079,880
Due to other governments	4,350	306	-	-	4,656
Due to ERS	-	257,461	-	-	257,461
Unearned revenue	-	112,617	-	-	112,617
TOTAL LIABILITIES	\$ 7,679,211	\$ 944,634	\$ 500	\$ 47,324	\$ 8,671,669
<u>Fund Balances</u> -					
Nonspendable	\$ -	\$ 65,098	\$ -	\$ -	\$ 65,098
Restricted	-	-	199,278	3,919,454	4,118,732
Assigned	433,587	2,768,983	-	-	3,202,570
TOTAL FUND BALANCE	\$ 433,587	\$ 2,834,081	\$ 199,278	\$ 3,919,454	\$ 7,386,400
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,112,798	\$ 3,778,715	\$ 199,778	\$ 3,966,778	\$ 16,058,069

(See Independent Auditors' Report)

Supplementary Information
WEBSTER CENTRAL SCHOOL DISTRICT, NEW YORK
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For The Year Ended June 30, 2023

	Special Revenue Funds			Debt Service Fund	Total Nonmajor Governmental Funds
	Special Aid Fund	School Lunch Fund	Miscellaneous Special Revenue Fund		
REVENUES					
Use of money and property	\$ -	\$ 6,425	\$ -	\$ 52,490	\$ 58,915
Miscellaneous	1,622,626	439,656	8,350	11,289	2,081,921
State sources	1,766,979	46,626	-	-	1,813,605
Federal sources	12,890,299	2,138,511	-	-	15,028,810
Sales	-	1,794,397	-	-	1,794,397
TOTAL REVENUES	\$ 16,279,904	\$ 4,425,615	\$ 8,350	\$ 63,779	\$ 20,777,648
EXPENDITURES					
General support	\$ -	\$ -	\$ -	\$ 270,742	\$ 270,742
Instruction	12,624,582	-	-	-	12,624,582
Pupil transportation	177,488	-	-	-	177,488
Community services	1,186,216	-	-	-	1,186,216
Employee benefits	2,164,594	505,607	-	-	2,670,201
Debt service - principal	-	-	-	2,155,000	2,155,000
Cost of sales	-	1,843,220	-	-	1,843,220
Other expenses	-	1,622,600	37,100	-	1,659,700
TOTAL EXPENDITURES	\$ 16,152,880	\$ 3,971,427	\$ 37,100	\$ 2,425,742	\$ 22,587,149
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 127,024	\$ 454,188	\$ (28,750)	\$ (2,361,963)	\$ (1,809,501)
OTHER FINANCING SOURCES (USES)					
Transfers - in	\$ 250,552	\$ -	\$ -	\$ -	\$ 250,552
Premium on obligations issued	-	-	-	2,764,850	2,764,850
TOTAL OTHER FINANCING SOURCES (USES)	\$ 250,552	\$ -	\$ -	\$ 2,764,850	\$ 3,015,402
NET CHANGE IN FUND BALANCE	\$ 377,576	\$ 454,188	\$ (28,750)	\$ 402,887	\$ 1,205,901
FUND BALANCE, BEGINNING OF YEAR	56,011	2,379,893	228,028	3,516,567	6,180,499
FUND BALANCE, END OF YEAR	\$ 433,587	\$ 2,834,081	\$ 199,278	\$ 3,919,454	\$ 7,386,400

(See Independent Auditors' Report)

Supplementary Information
WEBSTER CENTRAL SCHOOL DISTRICT, NEW YORK
Net Investment in Capital Assets/Right to Use Assets
For The Year Ended June 30, 2023

Capital assets/right to use assets, net		\$ 225,902,160
Add:		
Unspent bond proceeds	\$ 174,656	174,656
Deduct:		
Bond payable	\$ 66,937,500	
Leases	5,637,856	
Unamortized bond premium	5,022,785	
Assets purchased with short-term financing	51,001,836	
Deferred inflow - advanced refunding	327,575	
Retainage Payable	1,055,392	
		129,982,944
Net Investment in Capital Assets/ Right to Use Assets		\$ 96,093,872

Supplementary Information
WEBSTER CENTRAL SCHOOL DISTRICT, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2023

<u>Grantor / Pass - Through Agency</u>	<u>Assistance</u>	<u>Pass-Through</u>	<u>Total</u>
<u>Federal Award Cluster / Program</u>	<u>Listing</u>	<u>Agency</u>	<u>Expenditures</u>
<u>U.S. Department of Education:</u>	<u>Number</u>	<u>Number</u>	
<u>Passed Through NYS Education Department -</u>			
<u>Special Education Cluster IDEA -</u>			
Special Education - Grants to States (IDEA, Part B)	84.027	0032-23-0388	\$ 1,995,647
Special Education - Preschool Grants (IDEA Preschool)	84.173	0033-23-0388	50,995
ARP - Special Education - Grants to States (IDEA, Part B)-COVID-19	84.027X	5532-22-0388	411,491
ARP - Special Education - Preschool Grants (IDEA Preschool)-COVID-19	84.173X	5533-22-0388	45,807
<i>Total Special Education Cluster IDEA</i>			<u>\$ 2,503,940</u>
<u>Education Stabilization Funds -</u>			
CRRSA - ESSER II-COVID-19	84.425D	5891-21-1410	\$ 4,427,238
CRRSA - GEER II-COVID-19	84.425C	5896-21-1410	549,088
ARP - ESSER III-COVID-19	84.425U	5880-21-1410	3,080,416
ARP - Full Day UPK-COVID-19	84.425U	5870-23-9304	1,080,822
ARP - Homeless Children and Youth II-COVID-19	84.425W	5218-21-1410	13,333
<i>Total Education Stabilization Funds</i>			<u>\$ 9,150,897</u>
Title IIA - Supporting Effective Instruction State Grant	84.367	0147-23-1410	205,804
Title IIIA - LEP	84.365	0293-22-1410	2,811
Title IIIA - LEP	84.365	0293-23-1410	26,789
Title IV - Student Support and Enrichment Program	84.424	0204-22-1410	545
Title IV - Student Support and Enrichment Program	84.424	0204-23-1410	62,262
Title I - Grants to Local Educational Agencies	84.010	0021-22-1410	2,722
Title I - Grants to Local Educational Agencies	84.010	0021-23-1410	934,529
Total U.S. Department of Education			<u>\$ 12,890,299</u>
<u>U.S. Department of Agriculture:</u>			
<u>Passed Through NYS Education Department (Child Nutrition Services) -</u>			
<u>Child Nutrition Cluster -</u>			
National School Lunch Program	10.555	261901060000	\$ 1,253,287
National School Breakfast Program	10.553	261901060000	171,811
National School Lunch Program-Non-Cash Assistance (Commodities)	10.555	261901060000	304,412
Supply Chain Assistance-COVID-19	10.555	261901060000	391,595
National School Snack Program	10.555	261901060000	10,498
<i>Total Child Nutrition Cluster</i>			<u>\$ 2,131,603</u>
Pandemic EBT Administrative Costs	10.649	261901060000	6,908
Total U.S. Department of Agriculture			<u>\$ 2,138,511</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 15,028,810</u>

(See Independent Auditors' Report)



BUSINESS
ADVISORS
AND CPAS

**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***

Independent Auditors' Report

To the Board of Education
Webster Central School District, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Webster Central School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 10, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Mengel, Metzger, Barw & Co. LLP

Rochester, New York
October 10, 2023