

WEBSTER CENTRAL SCHOOL DISTRICT

BASIC FINANCIAL STATEMENTS

For Year Ended June 30, 2024



BUSINESS
ADVISORS
AND CPAS

TABLE OF CONTENTS

	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	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 og Governmental Funds 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 the Real Property Tax Limit	58
Capital Projects Fund Schedule of Project Expenditures	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



BUSINESS
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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, 2024, 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, 2024, 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 3, 2024 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, Barz & Co. LLP

Rochester, New York
October 3, 2024

Webster Central School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2024. 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 \$119,585,579 (net position) an increase of \$18,165,434 from the prior year.

As of the close of the fiscal year, the School District's governmental funds reported combined fund balances of \$35,838,750 an increase of \$22,214,206 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 \$7,287,694. 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 \$212,294,986 or 94% of all revenues. Program specific revenues in the form of Charges for services and Operating Grants and Contributions, accounted for \$12,670,396 or 6% 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 Variance</u>
	<u>2024</u>	<u>2023</u>	
<u>ASSETS:</u>			
Current and Other Assets	\$ 81,188,280	\$ 65,708,988	\$ 15,479,292
Capital Assets	216,820,267	225,902,160	(9,081,893)
Total Assets	<u>\$ 298,008,547</u>	<u>\$ 291,611,148</u>	<u>\$ 6,397,399</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred Outflows of Resources	<u>\$ 52,826,207</u>	<u>\$ 74,248,395</u>	<u>\$ (21,422,188)</u>
<u>LIABILITIES:</u>			
Long-Term Debt Obligations	\$ 287,379,236	\$ 364,872,377	\$ (77,493,141)
Other Liabilities	45,578,643	52,299,728	(6,721,085)
Total Liabilities	<u>\$ 332,957,879</u>	<u>\$ 417,172,105</u>	<u>\$ (84,214,226)</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferred Inflows of Resources	<u>\$ 137,462,454</u>	<u>\$ 86,438,451</u>	<u>\$ 51,024,003</u>
<u>NET POSITION:</u>			
Net Investment in Capital Assets	\$ 100,119,098	\$ 96,093,872	\$ 4,025,226
Restricted For,			
Employment Retirement System	10,049,457	9,070,444	979,013
Other Purposes	39,451,917	39,963,862	(511,945)
Unrestricted	(269,206,051)	(282,879,191)	13,673,140
Total Net Position	<u>\$ (119,585,579)</u>	<u>\$ (137,751,013)</u>	<u>\$ 18,165,434</u>

Key Variances

- Current and Other Assets increased \$15,479,292 as a result of cash and investments increasing 16 million from available cash relating to the issuance of Bond Anticipation Notes for the capital project as well as positive financial results.
- Capital Assets decreased \$9,081,893 as a result of depreciation expense exceeding capital outlay as the district is transitioning between capital projects.
- Deferred Outflows of Resources decreased \$21,422,188 as a result of changes to the differences between the expected and actual experiences, changes in assumptions, and differences between projected and actual earnings on investments for the OPEB and Pension plans.
- Long-Term Debt Obligations decreased \$77,493,141 as a result of OPEB obligation decreasing 78,878,314, the net pension liability decreasing 6,788,185, and debt repayment of 14,003,787 net of new debt totaling 23,445,409.
- Other Liabilities decreased \$6,721,085 as a result of the Bond Anticipation Note decreasing due to the issuance of DASNY Bonds.
- Deferred Inflows of Resources increased \$51,024,003 as a result of changes to the OPEB differences between expected and actual experience and changes of assumptions
- Unrestricted Net Position increased \$13,673,140 as a result of the Net change of deferred inflows, outflows and OPEB liability decreasing 21 million dollars.

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, and Other Purposes. The remaining balance of unrestricted net position is deficit of \$269,206,051.

Changes in Net Position

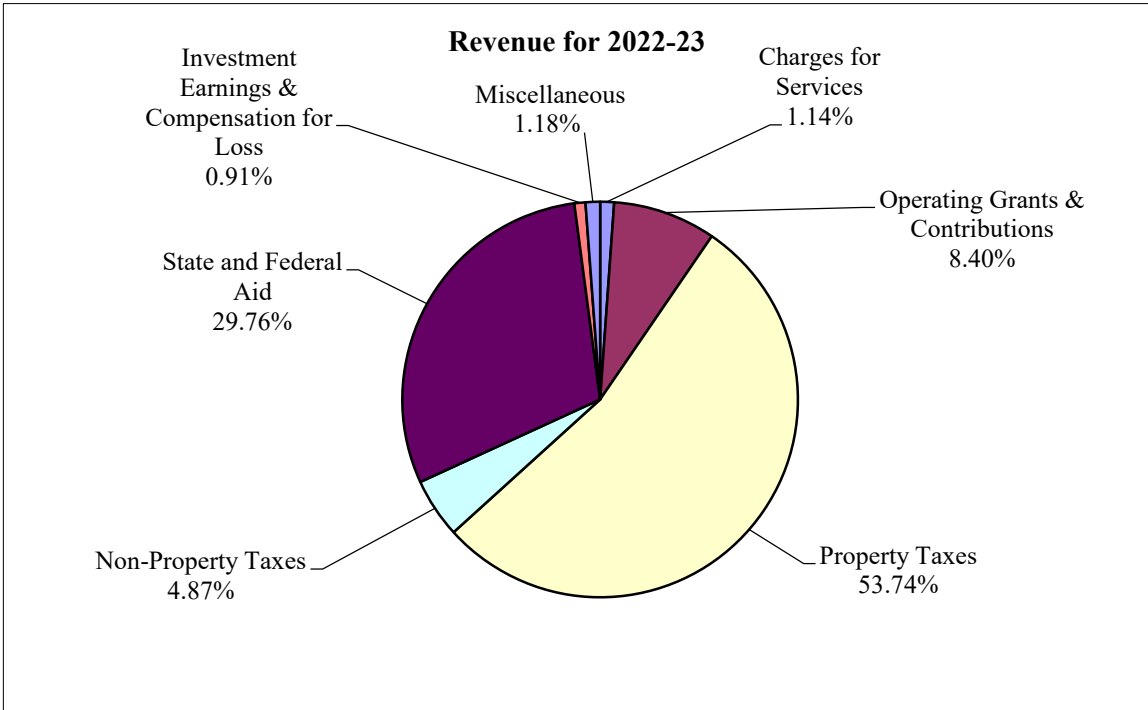
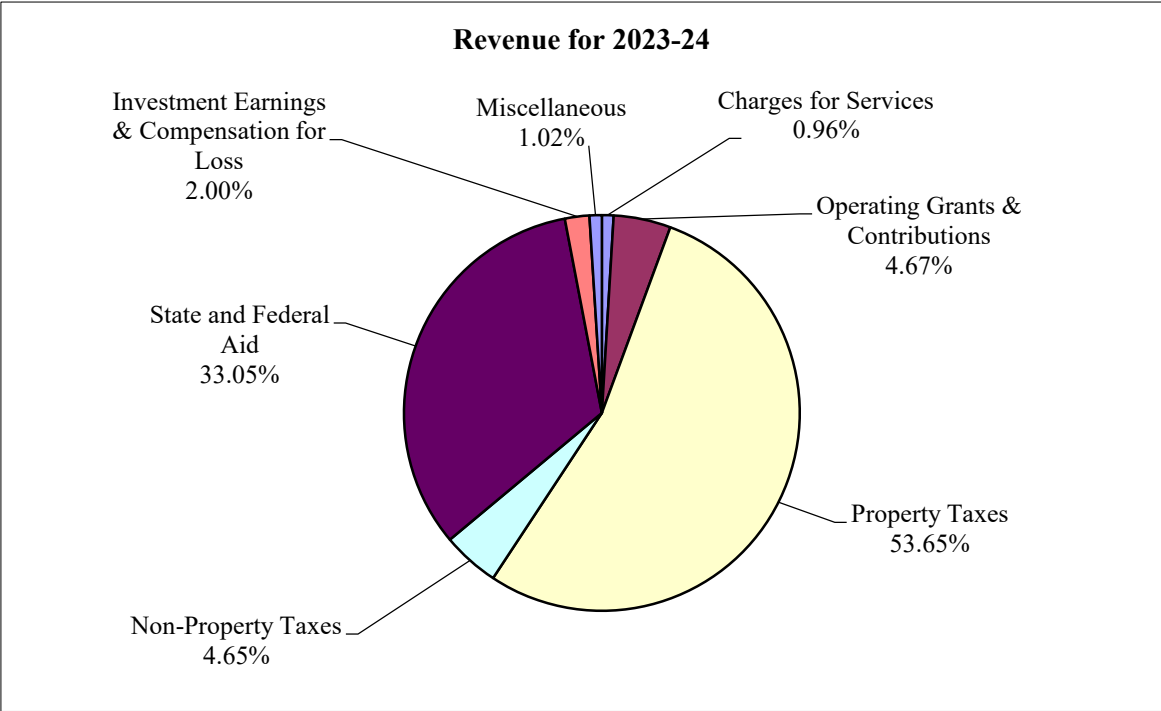
The District’s total revenue increased 2% to \$224,965,355. State and federal aid 33% and property taxes 54% accounted for most of the District’s revenue. The remaining 13% of the revenue comes from operating grants and contributions, charges for services, non property taxes, investment earnings, compensation for loss, and miscellaneous revenues.

The total cost of all the programs and services decreased 5% to \$206,799,921. The District’s expenses are predominately related to education and caring for the students (Instruction) 79%. 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:

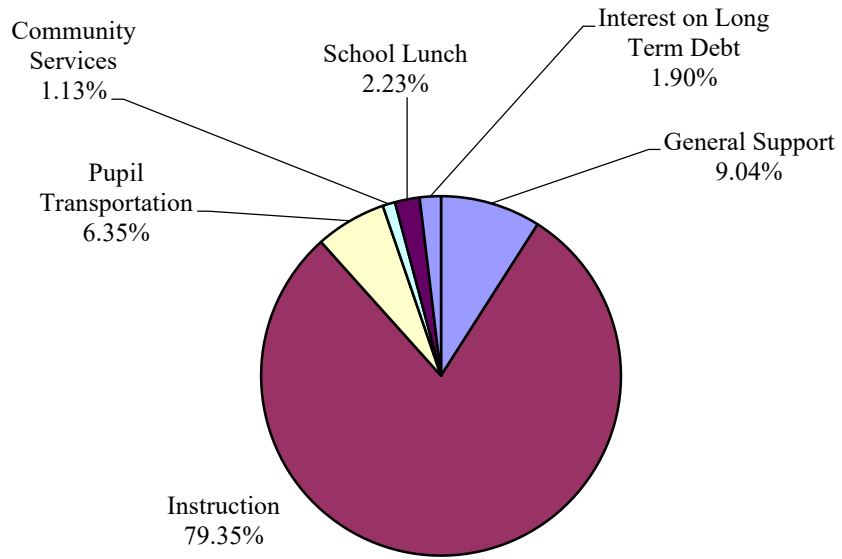
	<u>Governmental Activities</u>		<u>Total</u>
	<u>2024</u>	<u>2023</u>	<u>Variance</u>
<u>REVENUES:</u>			
<u>Program -</u>			
Charges for Service	\$ 2,166,041	\$ 2,514,298	\$ (348,257)
Operating Grants & Contributions	10,504,328	18,465,041	(7,960,713)
Total Program	\$ 12,670,369	\$ 20,979,339	\$ (8,308,970)
<u>General -</u>			
Property Taxes	\$ 120,694,376	\$ 118,061,052	\$ 2,633,324
Non Property Taxes	10,468,990	10,689,342	(220,352)
State and Federal Aid	74,357,415	65,394,628	8,962,787
Investment Earnings	4,421,161	1,896,033	2,525,128
Compensation for Loss	67,388	111,174	(43,786)
Miscellaneous	2,285,656	2,576,721	(291,065)
Total General	\$ 212,294,986	\$ 198,728,950	\$ 13,566,036
TOTAL REVENUES	\$ 224,965,355	\$ 219,708,289	\$ 5,257,066
<u>EXPENSES:</u>			
General Support	\$ 18,685,412	\$ 20,578,157	\$ (1,892,745)
Instruction	164,085,607	173,554,694	(9,469,087)
Pupil Transportation	13,135,166	14,294,332	(1,159,166)
Community Services	2,338,514	2,097,538	240,976
School Lunch	4,610,201	4,529,052	81,149
Interest	3,945,021	2,550,961	1,394,060
TOTAL EXPENSES	\$ 206,799,921	\$ 217,604,734	\$ (10,804,813)
INCREASE IN NET POSITION	\$ 18,165,434	\$ 2,103,555	
NET POSITION, BEGINNING OF YEAR	(137,751,013)	(139,854,568)	
NET POSITION, END OF YEAR	\$ (119,585,579)	\$ (137,751,013)	

Key Variances

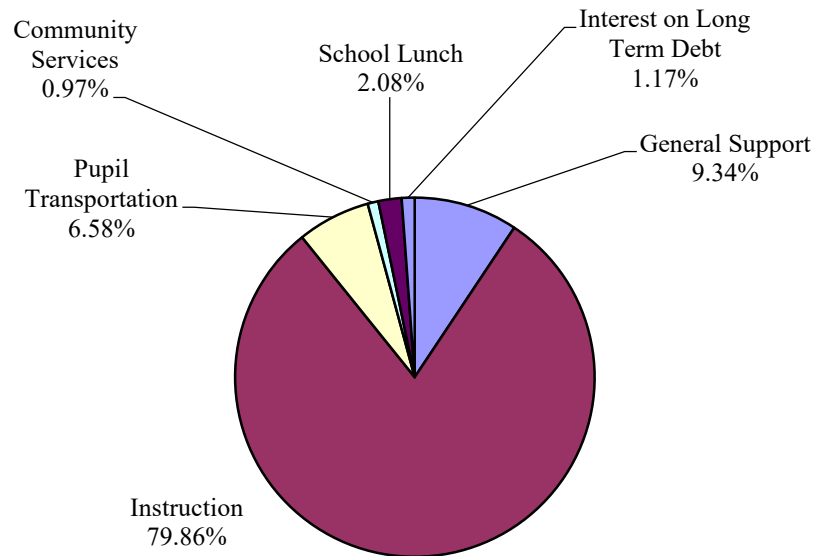
- Operating Grants & Contributions decreased \$7,960,713 as a result of the completion of federal stimulus programs.
- State and Federal Aid increased \$8,962,787 as a result of federal stimulus reimbursement along with increased foundation aid for 2023-24.
- Instruction decreased \$9,469,087 as a result of completion of federal stimulus grants.



Expenditures for 2023-24



Expenditures for 2022-23



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 \$35,838,750 which is more than last year's ending fund balance of \$13,624,544.

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 \$64,090,514. Fund balance for the General Fund increased by \$7,117,513 compared with the prior year. See table below:

<u>General Fund Balances:</u>	<u>2024</u>	<u>2023</u>	<u>Total Variance</u>
Restricted	\$ 40,947,258	\$ 44,915,574	\$ (3,968,316)
Assigned	5,855,562	6,058,065	(202,503)
Unassigned	7,287,694	5,999,362	1,288,332
Total General Fund Balances	<u>\$ 54,090,514</u>	<u>\$ 56,973,001</u>	<u>\$ (2,882,487)</u>

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was \$1,860,768. This change is attributable to \$558,065 for carryover encumbrances from the 2022-23 school year and \$1,302,703 for change in BOCES billings.

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
Instructional	(\$1,291,611)	Conservative budgeting practices for staffing along with spending cut offs.
Debt Service-Principal	\$4,661,587	Finalizing 2018 capital project borrowing from BAN's to bonds.
Transfer-Out	\$10,002,903	Voter approved transfer to capital project from capital reserve.

Revenue Items:	Budget Variance Amended Vs. Actual	Explanation for Budget Variance
Non-Property Taxes	\$2,468,990	Sales Tax Revenue higher than anticipated
Use of Money and Property	\$3,845,565	Interesting earnings and rental of facilities revenue increased this fiscal year
State Sources	\$6,260,276	Increase in foundation aid and other state expenses based aids.

Capital Asset and Debt Administration

Capital Assets

By the end of the 2024 fiscal year, the District had invested \$212,775,010 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>2024</u>	<u>2023</u>
<u>Capital Assets</u>		
Land	\$ 2,147,912	\$ 2,147,912
Work in Progress	76,110,999	72,167,819
Buildings and Improvements	126,914,565	135,771,446
Machinery and Equipment	7,601,534	8,979,816
Total Capital Assets	<u>\$ 212,775,010</u>	<u>\$ 219,066,993</u>
<u>Lease Assets</u>		
Equipment	\$ 4,022,683	\$ 6,834,424
Subscription IT Assets	22,574	743
Total Lease Assets	<u>\$ 4,045,257</u>	<u>\$ 6,835,167</u>

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

Long-Term Debt

At year end, the District had \$287,379,236 in general obligation bonds and other long-term debt outstanding as follows:

<u>Type</u>	<u>2024</u>	<u>2023</u>
Serial Bonds	\$ 78,055,000	\$ 66,937,500
Unamortized Bond Premium	6,631,506	5,022,785
Lease Liability	2,353,257	5,637,856
OPEB	184,352,604	263,230,918
Net Pension Liability	14,070,685	20,858,870
Retainage Payable	-	1,055,392
Compensated Absences	1,916,184	2,129,056
Total Long-Term Obligations	<u>\$ 287,379,236</u>	<u>\$ 364,872,377</u>

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

Factors Bearing on the District's Future

For the 2024-25 fiscal year, the Webster Central School District will be navigating several key factors, as highlighted below:

1. **State Aid Dependency:** December 1, 2024 looms large for NYS funding as the final report from the Rockefeller is due to be released on what changes they recommend for the Foundation Aid formula. Future foundation aid allocations are facing extreme uncertainty beyond the 2024-25 school year.
2. **Federal Stimulus Funding:** The district has been utilizing roughly \$14 million in federal stimulus funds, primarily for staffing and teacher training. However, this funding is set to expire in September 2024, removing a significant source of financial support after the 2024-25 year. The major challenge will be can the budget sustain the additional funding into the future without significant state support.
3. **Economic Pressures and Workforce Challenges:** Looming economic uncertainty may affect future state support, adding financial unpredictability. Worker shortages across various operational and instructional areas are straining the district, and efforts to address these through contractual changes have led to increased costs both now and into the future fiscal years.
4. **Capital Improvement Project:** A major \$85 million capital project was approved in October 2023. The project aims to address infrastructure issues identified in the 2022 Building Condition Survey. To mitigate tax impact, the district plans to use \$10 million from its capital reserve and restructure debt, resulting in a projected zero-tax-impact scenario.
5. **Local Economy:** 2024-25 and beyond sets forth greater economic stability in the district as the local economy diversifies with new corporations taking over spaces once inhabited by a once large and dominant employer in the district.

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, 2024

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 58,749,213
Investments	8,509,089
Accounts receivable	13,749,954
Inventories	180,024
Capital Assets:	
Land	2,147,912
Work in progress	76,110,999
Other capital assets (net of depreciation)	138,561,356
TOTAL ASSETS	<u>\$ 298,008,547</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources	<u>\$ 52,826,207</u>
 LIABILITIES	
Accounts payable	\$ 3,224,330
Accrued liabilities	689,122
Unearned revenues	63,168
Due to other governments	57,178
Due to teachers' retirement system	8,627,961
Due to employees' retirement system	907,209
Bond anticipation notes payable	29,325,000
Other liabilities	2,684,675
Long-Term Obligations:	
Due in one year	9,362,395
Due in more than one year	278,016,841
TOTAL LIABILITIES	<u>\$ 332,957,879</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources	<u>\$ 137,462,454</u>
 NET POSITION	
Net investment in capital assets	\$ 100,119,098
Restricted For:	
Reserve for employee retirement system	10,049,457
Other purposes	39,451,917
Unrestricted	(269,206,051)
TOTAL NET POSITION	<u>\$ (119,585,579)</u>

(See accompanying notes to financial statements)

WEBSTER CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Activities

For The Year Ended June 30, 2024

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Net Position</u>
<u>Primary Government -</u>				<u>Governmental</u>
				<u>Activities</u>
General support	\$ 18,685,412	\$ -	\$ -	\$ (18,685,412)
Instruction	164,085,607	321,456	8,489,544	(155,274,607)
Pupil transportation	13,135,166	-	-	(13,135,166)
Community services	2,338,514	-	-	(2,338,514)
School lunch	4,610,201	1,844,585	2,014,784	(750,832)
Interest	3,945,021	-	-	(3,945,021)
Total Primary Government	<u>\$ 206,799,921</u>	<u>\$ 2,166,041</u>	<u>\$ 10,504,328</u>	<u>\$ (194,129,552)</u>
 General Revenues:				
Property taxes				\$ 120,694,376
Non property taxes				10,468,990
State and federal aid				74,357,415
Investment earnings				4,421,161
Compensation for loss				67,388
Miscellaneous				2,285,656
Total General Revenues				<u>\$ 212,294,986</u>
Changes in Net Position				\$ 18,165,434
Net Position, Beginning of Year				<u>(137,751,013)</u>
Net Position, End of Year				<u>\$ (119,585,579)</u>

WEBSTER CENTRAL SCHOOL DISTRICT, NEW YORK

Balance Sheet

Governmental Funds

June 30, 2024

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 56,772,900	\$ 1,266,148	\$ 710,165	\$ 58,749,213
Investments	8,508,954	-	135	8,509,089
Receivables	9,948,198	137,920	3,663,836	13,749,954
Inventories	-	-	180,024	180,024
Due from other funds	25,847,820	22,710,541	10,227,431	58,785,792
TOTAL ASSETS	\$ 101,077,872	\$ 24,114,609	\$ 14,781,591	\$ 139,974,072
LIABILITIES AND FUND BALANCES				
Liabilities -				
Accounts payable	\$ 2,639,246	\$ 491,771	\$ 93,313	\$ 3,224,330
Accrued liabilities	394,373	-	65,636	460,009
Notes payable - bond anticipation notes	-	29,325,000	-	29,325,000
Due to other funds	32,096,347	19,777,242	6,912,203	58,785,792
Due to other governments	52,828	-	4,350	57,178
Due to TRS	8,627,961	-	-	8,627,961
Due to ERS	491,928	-	415,281	907,209
Other liabilities	2,684,675	-	-	2,684,675
Unearned revenue	-	-	63,168	63,168
TOTAL LIABILITIES	\$ 46,987,358	\$ 49,594,013	\$ 7,553,951	\$ 104,135,322
Fund Balances -				
Nonspendable	\$ -	\$ -	\$ 180,024	\$ 180,024
Restricted	40,947,258	4,415,681	4,392,114	49,755,053
Assigned	5,855,562	-	2,655,502	8,511,064
Unassigned	7,287,694	(29,895,085)	-	(22,607,391)
TOTAL FUND BALANCE	\$ 54,090,514	\$ (25,479,404)	\$ 7,227,640	\$ 35,838,750
TOTAL LIABILITIES AND FUND BALANCES	\$ 101,077,872	\$ 24,114,609	\$ 14,781,591	

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.	216,820,267
Interest is accrued on outstanding bonds in the statement of net position but not in the funds.	(229,113)
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	(78,055,000)
Leases	(2,353,257)
OPEB	(184,352,604)
Compensated absences	(1,916,184)
Unamortized bond premium	(6,631,506)
Deferred outflow - pension	40,217,825
Deferred outflow - OPEB	12,608,382
Net pension liability	(14,070,685)
Deferred inflow - advanced refunding	(20,000)
Deferred inflow - pension	(7,775,191)
Deferred inflow - OPEB	(129,667,263)
Net Position of Governmental Activities	\$ (119,585,579)

WEBSTER CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For The Year Ended June 30, 2024

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Real property taxes and tax items	\$ 120,694,376	\$ -	\$ -	\$ 120,694,376
Non-property taxes	10,468,990	-	-	10,468,990
Charges for services	321,456	-	-	321,456
Use of money and property	4,260,565	-	115,304	4,375,869
Sale of property and compensation for loss	67,388	-	-	67,388
Miscellaneous	1,961,191	-	1,863,250	3,824,441
State sources	74,073,206	-	2,525,824	76,599,030
Federal sources	284,209	-	6,292,965	6,577,174
Sales	-	-	1,844,585	1,844,585
TOTAL REVENUES	\$ 212,131,381	\$ -	\$ 12,641,928	\$ 224,773,309
EXPENDITURES				
General support	\$ 16,942,381	\$ -	\$ 283,421	\$ 17,225,802
Instruction	108,398,688	-	6,268,873	114,667,561
Pupil transportation	7,946,070	1,520,977	195,436	9,662,483
Community services	997,170	-	1,260,445	2,257,615
Employee benefits	51,969,104	-	1,392,929	53,362,033
Debt service - principal	13,789,087	-	1,715,000	15,504,087
Debt service - interest	4,628,465	-	-	4,628,465
Cost of sales	-	-	2,001,042	2,001,042
Other expenses	-	-	2,116,912	2,116,912
Capital outlay	-	6,660,558	-	6,660,558
TOTAL EXPENDITURES	\$ 204,670,965	\$ 8,181,535	\$ 15,234,058	\$ 228,086,558
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 7,460,416	\$ (8,181,535)	\$ (2,592,130)	\$ (3,313,249)
OTHER FINANCING SOURCES (USES)				
Transfers - in	\$ -	\$ 10,100,000	\$ 242,903	\$ 10,342,903
Transfers - out	(10,342,903)	-	-	(10,342,903)
Proceeds from obligations	-	21,446,988	-	21,446,988
BAN's redeemed from appropriations	-	1,890,000	-	1,890,000
Premium on obligations issued	-	-	2,190,467	2,190,467
TOTAL OTHER FINANCING SOURCES (USES)	\$ (10,342,903)	\$ 33,436,988	\$ 2,433,370	\$ 25,527,455
NET CHANGE IN FUND BALANCE	\$ (2,882,487)	\$ 25,255,453	\$ (158,760)	\$ 22,214,206
FUND BALANCE, BEGINNING OF YEAR	56,973,001	(50,734,857)	7,386,400	13,624,544
FUND BALANCE, END OF YEAR	\$ 54,090,514	\$ (25,479,404)	\$ 7,227,640	\$ 35,838,750

(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, 2024

NET CHANGE IN FUND BALANCES -		
TOTAL GOVERNMENTAL FUNDS	\$	22,214,206
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p> <p>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:</p>		
Capital Outlay	\$	4,998,570
Additions to Assets, Net		2,077,143
Depreciation and Amortization		<u>(16,157,606)</u>
		(9,081,893)
<p>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:</p>		
Debt Repayments	\$	15,504,087
Proceeds from Bond Issuance		(19,885,000)
Proceeds from BAN Redemption		(1,890,000)
Unamortized Bond Premium		(1,608,721)
Proceeds from Lease Obligations		<u>(1,561,988)</u>
		(9,441,622)
<p>In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.</p>		
		(13,829)
<p>The retainage liability does not reare the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds</p>		
		1,055,392
<p>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.</p>		
		19,951,218
<p>(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</p>		
Teachers' Retirement System		(5,490,704)
Employees' Retirement System		(1,547,781)
<p>Portion of deferred (inflow) / outflow recognized in long term debt</p>		
		307,575
<p>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:</p>		
Compensated Absences		<u>212,872</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>18,165,434</u>

WEBSTER CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Fiduciary Net Position
June 30, 2024

	Custodial Funds
ASSETS	
Cash and cash equivalents	\$ 470,467
TOTAL ASSETS	<u>\$ 470,467</u>
NET POSITION	
Restricted for individuals, organizations and other governments	\$ 470,467
TOTAL NET POSITION	<u><u>\$ 470,467</u></u>

Statement of Changes in Fiduciary Net Position
For The Year Ended June 30, 2024

	Custodial Funds
ADDITIONS	
Student activity	\$ 527,151
TOTAL ADDITIONS	<u>\$ 527,151</u>
DEDUCTIONS	
Student activity	\$ 546,232
TOTAL DEDUCTIONS	<u>\$ 546,232</u>
CHANGE IN NET POSITION	\$ (19,081)
NET POSITION, BEGINNING OF YEAR	<u>489,548</u>
NET POSITION, END OF YEAR	<u><u>\$ 470,467</u></u>

WEBSTER CENTRAL SCHOOL DISTRICT, NEW YORK

Notes To The Basic Financial Statements

June 30, 2024

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 for various student organizations in the fiduciary 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 \$15,471,019 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$7,775,801.

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 extracurricular 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, 2023. Taxes were collected during the period September 1 through October 31, 2023.

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. The range of estimated useful lives and capitalization threshold 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 that time.

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>
Capital Projects	\$ 4,162,002
Workers' Compensation	5,024,827
Unemployment Costs	1,227,209
Retirement Contribution - TRS	4,768,161
Capital Reserve	5,279,482
Insurance	4,010,905
Tax Certiorari	4,522,820
Scholarships	185,278
Debt	4,206,836
Liability	5,023,574
Employee Benefit Accrued Liability	<u>1,040,823</u>
Total Net Position - Restricted for Other Purposes	<u>\$ 39,451,917</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 \$265,044,049 at year end is the result of full implementation of GASB #75 regarding retiree health obligations and the New York State Pension system unfunded pension obligation.

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 \$180,024.

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	\$ 5,279,482

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 §6-r 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.

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.

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.

(I.) (Continued)

Restricted fund balances include the following:

	<u>Total</u>
<u>General Fund -</u>	
Workers' Compensation	\$ 5,024,827
Unemployment Costs	1,227,209
Retirement Contribution - ERS	10,049,457
Retirement Contribution - TRS	4,768,161
Insurance	4,010,905
Tax Certiorari	4,522,820
Liability	5,023,574
Capital Reserves	5,279,482
Employee Benefit Accrued Liability	1,040,823
<u>Capital Projects Fund -</u>	
Restricted Capital Projects	4,415,681
<u>Miscellaneous Special Revenue Fund -</u>	
Scholarships	185,278
<u>Debt Service Fund -</u>	
Debt Service	4,206,836
Total Restricted Fund Balance	<u><u>\$ 49,755,053</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, 2024.

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 \$228,000, the Capital Projects Fund to be \$13,000 and the School Lunch Fund to be \$39,000. The District reports the following significant encumbrances:

<u>School Lunch Fund -</u>	
Equipment	\$ 141,348
Contractual	\$ 103,500

(I.) (Continued)

Assigned fund balances include the following:

	<u>Total</u>
General Fund - Encumbrances	\$ 355,562
General Fund - Appropriated for Taxes	5,500,000
Special Aid Fund - Community Programs	732,576
School Lunch Fund - Year End Equity	<u>1,922,926</u>
Total Assigned Fund Balance	<u><u>\$ 8,511,064</u></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.

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.

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, 2024, the District implemented the following new standards issued by GASB:

GASB has issued Statement No. 99, *Omnibus 2022 (financial guarantees and derivative instruments)*.

GASB has issued Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*.

(I.) (Continued)

V. **Future Changes in Accounting Standards**

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

GASB has issued Statement No. 102, *Certain risk Disclosures*, which will be effective for fiscal years beginning after June 15, 2024.

GASB has issued Statement No. 103, *Financial Reporting Model Improvements*, which will be effective for fiscal years beginning after June 15, 2025.

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

II. **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 2023-24, the budget was increased \$558,065 for carryover encumbrances, \$1,302,703 for a change in BOCES billings and \$10,000,000 for a transfer to Capital Fund.

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.

(II.) (Continued)

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, 2024 of \$119,585,579. 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 \$184,352,604 at June 30, 2024. Since New York State Laws provide no mechanism for funding the liability, the subsequent accruals are expected to increase the deficit.

D. Deficit Fund Balance – Capital Projects Fund

The Capital Projects Fund had a deficit fund balance of \$25,479,404 at June 30, 2024, 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).

III. 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.

(III.) (Continued)

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		2,886,365
Collateralized within Trust Department or Agent		16,616,538
Total	\$	19,502,903

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 \$49,755,053 within the governmental funds and \$470,467 in the fiduciary funds.

IV. Investments

The District's investments are recorded at fair value and have been categorized based upon a fair market value.

The following table presents information about the District's investments measured at fair value as of June 30, 2024:

<u>Investments</u>	<u>Fair Value</u>	<u>Maturity Date</u>	<u>Level</u>
US Treasury Bills	\$ 8,508,954	Various	Level 1
Total	\$ 8,508,954		

The fair value measurements of the investments noted above have been classified by the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the investments. The levels of the fair value hierarchy are as follows:

Level 1 – Quoted price for identical assets in an active market.

Level 2 – (A) Quoted prices for similar assets or liabilities in active markets; (B) Quoted prices for identical or similar assets or liabilities in markets that are not active; (C) Inputs other than quoted prices that are observable for the assets or liability, such as (1) invest rates and yield curves observable at commonly quoted intervals (2) implied volatilities (3) credit spreads; (D) Market-corroborated inputs.

Level 3 – Unobservable inputs for an asset or liability are significant to the fair value measurement.

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.

(IV.) (Continued)

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 at the general fund budget.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The District limits its exposure to fair value losses arising from changes in interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The District invests operating funds primarily in short-term securities, money market funds, or similar investment pools although the Town does not have a formal policy relating to a specific investment related risk.

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.

Total investments of the cooperative as of year-end are \$16, which consisted of \$3 in repurchase agreements, \$11 in U.S. Treasury Securities, and \$2 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	\$ 16	\$ 16	NYCLASS

VI. Receivables

Receivables at June 30, 2024 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	\$ 45,662	\$ -	\$ 92,442	\$ 138,104
Due From State and Federal	2,762,739	137,920	3,571,394	6,472,053
Due From Other Governments	7,139,797	-	-	7,139,797
Total Receivables	<u>\$ 9,948,198</u>	<u>\$ 137,920</u>	<u>\$ 3,663,836</u>	<u>\$ 13,749,954</u>

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, 2024 were as follows:

	Interfund			
	<u>Receivables</u>	<u>Payables</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 25,847,820	\$ 32,096,347	\$ -	\$ 10,342,903
Capital Projects Fund	22,710,541	19,777,242	10,100,000	-
Nonmajor Funds	10,227,431	6,912,203	242,903	-
Total	<u>\$ 58,785,792</u>	<u>\$ 58,785,792</u>	<u>\$ 10,342,903</u>	<u>\$ 10,342,903</u>

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>7/1/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2024</u>
<u>Governmental Activities:</u>				
<u>Capital Assets that are not Depreciated -</u>				
Land	\$ 2,147,912	\$ -	\$ -	\$ 2,147,912
Work in progress	72,167,819	5,605,168	1,661,988	76,110,999
Total Nondepreciable	<u>\$ 74,315,731</u>	<u>\$ 5,605,168</u>	<u>\$ 1,661,988</u>	<u>\$ 78,258,911</u>
<u>Capital Assets that are Depreciated -</u>				
Buildings and Improvements	\$ 272,341,800	\$ -	\$ 8,703	\$ 272,333,097
Machinery and equipment	24,000,608	298,417	3,290,755	21,008,270
Total Depreciated Assets	<u>\$ 296,342,408</u>	<u>\$ 298,417</u>	<u>\$ 3,299,458</u>	<u>\$ 293,341,367</u>
<u>Less Accumulated Depreciation -</u>				
Buildings and Improvements	\$ 136,570,354	\$ 8,856,255	\$ 8,077	\$ 145,418,532
Machinery and equipment	15,020,792	1,673,044	3,287,100	13,406,736
Total Accumulated Depreciation	<u>\$ 151,591,146</u>	<u>\$ 10,529,299</u>	<u>\$ 3,295,177</u>	<u>\$ 158,825,268</u>
Total Capital Assets Depreciated, Net of Accumulated Depreciation	<u>\$ 144,751,262</u>	<u>\$ (10,230,882)</u>	<u>\$ 4,281</u>	<u>\$ 134,516,099</u>
Total Capital Assets	<u>\$ 219,066,993</u>	<u>\$ (4,625,714)</u>	<u>\$ 1,666,269</u>	<u>\$ 212,775,010</u>

(VIII.) (Continued)

B. Lease Assets

A summary of the lease and Subscription IT Assets activity during the year ended June 30, 2024 is as follows:

<u>Type</u>	<u>Balance 7/1/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2024</u>
<u>Lease Assets:</u>				
Equipment	\$ 12,172,423	\$ 2,802,924	\$ 5,245,462	\$ 9,729,885
Less Accumulated Amortization	<u>5,337,999</u>	<u>5,614,665</u>	<u>5,245,462</u>	<u>5,707,202</u>
<i>Total Lease Assets, Net</i>	<u>\$ 6,834,424</u>	<u>\$ (2,811,741)</u>	<u>\$ -</u>	<u>\$ 4,022,683</u>
<u>Subscription IT assets:</u>				
Subscription IT Assets	\$ 10,395	\$ 35,473	\$ -	\$ 45,868
Less Accumulated Amortization	<u>9,652</u>	<u>13,642</u>	<u>-</u>	<u>23,294</u>
<i>Total Subscription IT Assets, Net</i>	<u>\$ 743</u>	<u>\$ 21,831</u>	<u>\$ -</u>	<u>\$ 22,574</u>
<i>Total Lease and Subscription IT Assets, Net</i>	<u>\$ 6,835,167</u>	<u>\$ (2,789,910)</u>	<u>\$ -</u>	<u>\$ 4,045,257</u>

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

Depreciated Capital Assets (net)	\$ 134,516,099
Amortized Lease Assets (net)	<u>4,045,257</u>
Total Other Capital Assets (net)	<u>\$ 138,561,356</u>

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	\$ 126,945	\$ -	\$ 126,945
Instruction	8,929,931	5,628,307	14,558,238
Pupil Transportation	1,438,046	-	1,438,046
School Lunch	<u>34,377</u>	<u>-</u>	<u>34,377</u>
Total Depreciation and Amortization Expense	<u>\$ 10,529,299</u>	<u>\$ 5,628,307</u>	<u>\$ 16,157,606</u>

IX. Short-Term Debt

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

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance 7/1/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2024</u>
BAN-Construction	6/26/2025	4.25%	\$ -	\$ 29,325,000	\$ -	\$ 29,325,000
BAN-Construction	6/27/2024	4.50%	<u>37,500,000</u>	<u>-</u>	<u>37,500,000</u>	<u>-</u>
Total Short-Term Debt			<u>\$ 37,500,000</u>	<u>\$ 29,325,000</u>	<u>\$ 37,500,000</u>	<u>\$ 29,325,000</u>

(IX.) (Continued)

The short-term interest expense for June 30, 2024 was composed of:

Interest Paid	\$ 1,687,500
Less: Interest Accrued in the Prior Year	(14,063)
Plus: Interest Accrued in the Current Year	13,848
Total Short-Term Interest Expense	\$ 1,687,285

X. Long-Term Debt Obligations

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

	<u>Balance</u> <u>7/1/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2024</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
<u>Bonds and Notes Payable -</u>					
Serial Bonds	\$ 66,937,500	\$ 19,885,000	\$ 8,767,500	\$ 78,055,000	\$ 6,355,000
Unamortized Bond Premium	5,022,785	1,998,421	389,700	6,631,506	532,444
Lease Liability	5,637,856	1,561,988	4,846,587	2,353,257	1,995,905
Total Bonds and Notes Payable	\$ 77,598,141	\$ 23,445,409	\$ 14,003,787	\$ 87,039,763	\$ 8,883,349
<u>Other Liabilities -</u>					
Net Pension Liability	\$ 20,858,870	\$ -	\$ 6,788,185	\$ 14,070,685	\$ -
OPEB	263,230,918	-	78,878,314	184,352,604	-
Retainage Payable	1,055,392	-	1,055,392	-	-
Compensated Absences	2,129,056	-	212,872	1,916,184	479,046
Total Other Liabilities	\$ 287,274,236	\$ -	\$ 86,934,763	\$ 200,339,473	\$ 479,046
Total Long-Term Obligations	\$ 364,872,377	\$ 23,445,409	\$ 100,938,550	\$ 287,379,236	\$ 9,362,395

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

Existing serial and statutory bond obligations:

<u>Description</u>	<u>Original</u> <u>Amount</u>	<u>Issue</u> <u>Date</u>	<u>Final</u> <u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Amount</u> <u>Outstanding</u> <u>6/30/2024</u>
<u>Serial Bonds</u>					
Renovations	\$ 7,805,000	2017	2031	2%-5%	\$ 4,565,000
Refunding	\$ 2,495,000	2020	2025	2%-4%	535,000
Construction	\$ 16,475,000	2020	2035	4%-5%	13,170,000
Bus Purchases	\$ 1,612,000	2020	2025	2.00%	345,000
Bus Purchases	\$ 1,663,000	2021	2026	2.00%	690,000
Construction	\$ 23,420,000	2021	2040	2.00%	19,870,000
Bus Purchases	\$ 1,566,000	2022	2027	1.00%-2.25%	965,000
Construction	\$ 17,305,000	2023	2037	5.00%	16,650,000
Bus Purchases	\$ 1,687,500	2023	2028	4.00%	1,380,000
Bus Purchases	\$ 1,600,000	2024	2029	4.00%	1,600,000
Construction	\$ 18,285,000	2024	2039	5.00%	18,285,000
Total Serial Bonds					\$ 78,055,000
<u>Leases</u>					
Various Leases	\$ 11,853,796	Various	Various	0.05%-4.99%	\$ 2,353,257

(X.) (Continued)

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>
2025	\$ 6,355,000	\$ 3,467,966	\$ 1,995,905	\$ 42,032
2026	5,960,000	2,943,125	319,508	2,682
2027	5,830,000	2,707,612	36,123	143
2028	5,730,000	2,469,000	1,441	35
2029	5,575,000	2,230,800	280	1
2030-34	27,300,000	7,614,850	-	-
2035-39	19,885,000	2,261,700	-	-
2040	1,420,000	28,400	-	-
Total	\$ 78,055,000	\$ 23,723,453	\$ 2,353,257	\$ 44,892

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. \$550,000 of bonds outstanding are considered defeased.

Interest on long-term debt for June 30, 2024 was composed of:

Interest Paid	\$ 2,940,965
Less: Interest Accrued in the Prior Year	(201,219)
Plus: Interest Accrued in the Current Year	215,265
Less: Amortization of Deferred Inflows	(307,575)
Less: Amortization of Bond Premium	(389,700)
Total Long-Term Interest Expense	\$ 2,257,736

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	\$ 40,217,825	\$ 7,775,191
Bonds	-	20,000
OPEB	12,608,382	129,667,263
Total	\$ 52,826,207	\$ 137,462,454

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.

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 6 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.

(XII.) (Continued)

The District's share of the required contributions, based on covered payroll paid for the District's year ended June 30, 2024:

<u>Contributions</u>	<u>ERS</u>	<u>TRS</u>
2024	\$ 2,557,460	\$ 8,627,961

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

At June 30, 2024, 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, 2024 for ERS and June 30, 2023 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.

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2024	June 30, 2023
Net pension assets/(liability)	\$ (9,338,744)	\$ (4,731,941)
District's portion of the Plan's total net pension asset/(liability)	0.0634%	0.4138%

For the year ended June 30, 2024, the District recognized pension expenses of \$4,301,990 for ERS and \$13,335,736 for TRS. At June 30, 2024, 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	\$ 3,008,002	\$ 11,473,698	\$ 254,643	\$ 28,356
Changes of assumptions	3,530,769	10,187,728	-	2,220,359
Net difference between projected and actual earnings on pension plan investments	-	2,418,874	4,561,927	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	564,103	279,973	-	709,906
Subtotal	\$ 7,102,874	\$ 24,360,273	\$ 4,816,570	\$ 2,958,621
District's contributions subsequent to the measurement date	907,209	7,847,469	-	-
Grand Total	\$ 8,010,083	\$ 32,207,742	\$ 4,816,570	\$ 2,958,621

(XII.) (Continued)

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, 2024. 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>
2024	\$ -	\$ 1,801,976
2025	(1,499,901)	(2,531,400)
2026	1,919,160	18,974,813
2027	2,804,601	1,359,949
2028	(937,556)	1,114,644
Thereafter	-	681,670
Total	\$ 2,286,304	\$ 21,401,652

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:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2024	June 30, 2023
Actuarial valuation date	April 1, 2023	June 30, 2022
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, 2024 are summarized as follows:

(XII.) (Continued)

Long Term Expected Rate of Return		
	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2024	June 30, 2023
<u>Asset Type -</u>		
Domestic equity	4.00%	6.80%
International equity	6.65%	7.60%
Global equity	0.00%	7.20%
Private equity	7.25%	10.10%
Real estate	4.60%	6.30%
Opportunistic portfolios	5.25%	0.00%
Real assets	5.79%	0.00%
Global bonds	0.00%	1.60%
Cash	0.25%	0.30%
Private debt	0.00%	6.00%
Real estate debt	0.00%	3.20%
High-yield bonds	0.00%	4.40%
Domestic fixed income	0.00%	2.20%
Fixed income	1.50%	0.00%
Credit	5.40%	0.00%

The real rate of return is net of the long-term inflation assumption of 2.9% for ERS and 2.4% for TRS.

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-percentage-point 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 :

(XII.) (Continued)

	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)	\$ (29,361,964)	\$ (9,338,744)	\$ 7,384,799
		Current Assumption	1% Increase
<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)	\$ (72,069,861)	\$ (4,731,941)	\$ 51,902,162

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, 2024	June 30, 2023
Employers' total pension liability	\$ 240,696,851	\$ 138,365,122
Plan net position	225,972,801	137,221,537
Employers' net pension asset/(liability)	<u>\$ (14,724,050)</u>	<u>\$ (1,143,585)</u>
Ratio of plan net position to the employers' total pension asset/(liability)	93.88%	99.20%

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, 2024 represent the projected employer contribution for the period of April 1, 2024 through June 30, 2024 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2024 amounted to \$907,209.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2024 are paid to the System in September, October and November 2024 through a state aid intercept. Accrued retirement contributions as of June 30, 2024 represent employee and employer contributions for the fiscal year ended June 30, 2024 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, 2024 amounted to \$8,627,961.

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, 2024, 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 \$184,352,604 was measured as of June 30, 2024, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.98 percent
Salary Increases	3.42 percent, average, including inflation
Discount Rate	3.98 percent
Healthcare Cost Trend Rates	Initial rate of 5.10% decreasing to an ultimate rate of 3.86%
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.

(XIII.) (Continued)

C. **Changes in the Total OPEB Liability**

Balance at June 30, 2023	<u>\$ 263,230,918</u>
<u>Changes for the Year -</u>	
Service cost	\$ 5,600,499
Interest	9,786,087
Differences between expected and actual experience	(77,962,140)
Changes in assumptions or other inputs	(6,362,544)
Benefit payments	<u>(9,940,216)</u>
Net Changes	<u>\$ (78,878,314)</u>
Balance at June 30, 2024	<u>\$ 184,352,604</u>

Changes of assumptions and other inputs reflect the following:

- The Single Discount Rate changed from 3.78% to 3.98% effective June 30, 2024.
- The Salary scale changed from 3.53% to 3.42% effective June 30, 2024.
- Updated healthcare cost trend rates effective June 30, 2024.

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 (2.98 percent) or 1-percentage-point higher (4.98 percent) than the current discount rate:

	1% Decrease	Discount	1% Increase
	<u>(2.98%)</u>	Rate	<u>(4.98%)</u>
		<u>(3.98%)</u>	
Total OPEB Liability	\$ 206,038,654	\$ 184,352,604	\$ 166,212,353

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
	<u>(4.10%</u>	Cost Trend Rates	<u>(6.10%</u>
	Increasing	Increasing	Increasing
	<u>to 2.86%)</u>	<u>to 3.86%)</u>	<u>to 4.86%)</u>
Total OPEB Liability	\$ 162,322,600	\$ 184,352,604	\$ 211,255,409

(XIII.) (Continued)

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

For the year ended June 30, 2024, the District recognized OPEB expense of \$(12,111,804). At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 10,130,136	\$ 88,765,246
Changes of assumptions	-	40,902,017
Contributions after measurement date	2,478,246	-
Total	\$ 12,608,382	\$ 129,667,263

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>	
2025	\$ (23,486,901)
2026	(22,939,647)
2027	(23,826,872)
2028	(24,207,118)
2029	(18,590,073)
Thereafter	(6,486,516)
Total	\$ (119,537,127)

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 (Monroe 2-Orleans BOCES) and its component districts.

(XIV.) (Continued)

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 BOCES and Monroe 2-Orleans 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.

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 a 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, 2024, the District incurred premiums or contribution expenditures totaling \$3,283,686.

This 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, 2023, 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.

(XIV.) (Continued)

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.

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, 2023 revealed that the Plan was fully funded.

During the year ended June 30, 2024, the District incurred premiums or contribution expenditures totaling \$24,480,000.

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 (Monroe 2-Orleans BOCES) 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 BOCES and Monroe 2-Orleans 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.

(XIV.) (Continued)

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, 2024, the District incurred premiums or contribution expenditures totaling \$1,355,186.

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 June 30, 2023, revealed that the Plan was 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 2023-24 was \$1,197,075.

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 2023-24 was approximately \$665,038.

(XIV.) (Continued)

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 \$14,570 for the 2023-24 fiscal year. The balance of the fund at June 30, 2024 was \$1,227,209 and is recorded in the General Fund as an Unemployment Insurance Reserve. In addition, as of June 30, 2024, no loss contingencies existed or were considered probable or estimable for incurred but not reported claims payable.

XV. Commitments and Contingencies

A. Litigation

1. There are two pending 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 \$1,203,144. The District received payment in lieu of tax (PILOT) payments totaling \$1,060,241 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, 2024

	TOTAL OPEB LIABILITY							
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Service cost	\$ 5,600,499	\$ 8,639,715	\$ 9,486,365	\$ 8,992,164	\$ 7,530,744	\$ 8,199,089	\$ 8,058,335	\$ 7,611,752
Interest	9,786,087	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	(77,962,140)	(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	(6,362,544)	(40,092,180)	(29,438,698)	6,643,328	48,783,104	(13,756,785)	7,677,031	(19,251,283)
Benefit payments	<u>(9,940,216)</u>	<u>(8,403,208)</u>	<u>(7,779,553)</u>	<u>(8,357,663)</u>	<u>(7,809,970)</u>	<u>(7,508,650)</u>	<u>(7,078,204)</u>	<u>(6,357,075)</u>
Net Change in Total OPEB Liability	\$ (78,878,314)	\$ (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	\$ <u>263,230,918</u>	\$ <u>326,778,814</u>	\$ <u>321,264,021</u>	\$ <u>318,763,532</u>	\$ <u>281,607,856</u>	\$ <u>308,752,376</u>	\$ <u>289,021,536</u>	\$ <u>265,766,687</u>
Total OPEB Liability - Ending	\$ <u><u>184,352,604</u></u>	\$ <u><u>263,230,918</u></u>	\$ <u><u>326,778,814</u></u>	\$ <u><u>321,264,021</u></u>	\$ <u><u>318,763,532</u></u>	\$ <u><u>281,607,856</u></u>	\$ <u><u>308,752,376</u></u>	\$ <u><u>289,021,536</u></u>
Covered Employee Payroll	\$ 90,774,636	\$ 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	203.09%	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, 2024

NYSERS Pension Plan										
	<u>2024</u>	<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)	0.0634%	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)	\$ 9,338,744	\$ 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	\$ 21,440,649	\$ 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	43.556%	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	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%
NYSTRS Pension Plan										
	<u>2024</u>	<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)	0.4138%	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)	\$ 4,731,941	\$ 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	\$ 82,812,348	\$ 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	5.714%	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	99.20%	98.60%	113.25%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

(See Independent Auditors' Report)

Required Supplementary Information
WEBSTER CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of District Contributions
For The Year Ended June 30, 2024

NYSERS Pension Plan										
	<u>2024</u>	<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	\$ 2,557,460	\$ 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	(2,557,460)	(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)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 21,440,649	\$ 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	11.93%	10.62%	14.59%	13.19%	13.31%	13.64%	14.09%	15.31%	16.14%	18.80%
NYSTRS Pension Plan										
	<u>2024</u>	<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	\$ 8,627,961	\$ 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	(8,627,961)	(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)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 82,812,348	\$ 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	10.42%	10.72%	10.45%	10.10%	9.35%	11.01%	10.27%	12.17%	13.72%	17.99%

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, 2024

	<u>Original</u> <u>Budget</u>	<u>Amended</u> <u>Budget</u>	<u>Current</u> <u>Year's</u> <u>Revenues</u>	<u>Over (Under)</u> <u>Revised</u> <u>Budget</u>
REVENUES				
Local Sources -				
Real property taxes	\$ 119,660,800	\$ 110,980,375	\$ 110,953,710	\$ (26,665)
Real property tax items	1,250,000	9,930,425	9,740,666	(189,759)
Non-property taxes	8,000,000	8,000,000	10,468,990	2,468,990
Charges for services	-	-	321,456	321,456
Use of money and property	415,000	415,000	4,260,565	3,845,565
Sale of property and compensation for loss	-	-	67,388	67,388
Miscellaneous	1,800,000	1,800,000	1,961,191	161,191
State Sources -				
Basic formula	67,130,370	67,130,370	51,764,588	(15,365,782)
Lottery aid	-	-	13,345,702	13,345,702
BOCES	-	-	7,763,117	7,763,117
Textbooks	682,560	682,560	370,393	(312,167)
All Other Aid -				
Computer software	-	-	254,973	254,973
Library loan	-	-	51,325	51,325
Handicapped students	-	-	305,597	305,597
Other aid	-	-	217,511	217,511
Federal Sources	-	-	284,209	284,209
TOTAL REVENUES	<u>\$ 198,938,730</u>	<u>\$ 198,938,730</u>	<u>\$ 212,131,381</u>	<u>\$ 13,192,651</u>
Appropriated reserves	<u>\$ -</u>	<u>\$ 10,000,000</u>		
Appropriated fund balance	<u>\$ 5,500,000</u>	<u>\$ 6,802,703</u>		
Prior year encumbrances	<u>\$ 558,065</u>	<u>\$ 558,065</u>		
TOTAL REVENUES AND				
APPROPRIATED RESERVES/				
FUND BALANCE	<u><u>\$ 204,996,795</u></u>	<u><u>\$ 216,299,498</u></u>		

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, 2024

	<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	\$ 27,403	\$ 27,004	\$ 26,004	\$ 1,000	\$ -
Central administration	349,658	394,051	393,812	239	-
Finance	1,110,800	1,013,835	1,012,705	1,130	-
Staff	1,240,002	1,446,934	1,440,944	619	5,371
Central services	12,777,095	12,027,116	11,842,450	170,398	14,268
Special items	2,278,000	2,226,467	2,226,466	-	1
Instructional -					
Instruction, administration and improvement	8,376,011	11,708,714	11,629,738	4,099	74,877
Teaching - regular school	57,922,287	52,040,319	51,154,566	148,474	737,279
Programs for children with handicapping conditions	21,808,866	20,449,346	20,432,428	2,322	14,596
Occupational education	2,000,000	1,798,728	1,798,728	-	-
Teaching - special schools	265,000	89,854	89,341	-	513
Instructional media	8,576,781	10,960,042	10,947,893	2,615	9,534
Pupil services	11,791,936	12,402,267	12,345,994	-	56,273
Pupil Transportation	8,521,753	7,985,090	7,946,070	21,666	17,354
Community Services	1,124,503	1,000,171	997,170	3,000	1
Employee Benefits	52,923,800	51,969,105	51,969,104	-	1
Debt service - principal	9,127,500	13,789,087	13,789,087	-	-
Debt service - interest	4,435,400	4,628,465	4,628,465	-	-
TOTAL EXPENDITURES	<u>\$ 204,656,795</u>	<u>\$ 205,956,595</u>	<u>\$ 204,670,965</u>	<u>\$ 355,562</u>	<u>\$ 930,068</u>
Other Uses -					
Transfers - out	\$ 340,000	\$ 10,342,903	\$ 10,342,903	\$ -	\$ -
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 204,996,795</u>	<u>\$ 216,299,498</u>	<u>\$ 215,013,868</u>	<u>\$ 355,562</u>	<u>\$ 930,068</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,882,487)</u>		
FUND BALANCE, BEGINNING OF YEAR	<u>56,973,001</u>	<u>56,973,001</u>	<u>56,973,001</u>		
FUND BALANCE, END OF YEAR	<u>\$ 56,973,001</u>	<u>\$ 56,973,001</u>	<u>\$ 54,090,514</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, 2024

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET:

Adopted budget	\$ 204,438,730
Prior year's encumbrances	<u>558,065</u>
Original Budget	\$ 204,996,795
Budget revisions -	
Change in BOCES billings	1,302,703
Voter approved capital reserve use	<u>10,000,000</u>
FINAL BUDGET	<u><u>\$ 216,299,498</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION:

2024-25 voter approved expenditure budget	\$ 211,006,070
<u>Unrestricted fund balance:</u>	
Assigned fund balance	\$ 5,855,562
Unassigned fund balance	<u>7,287,694</u>
Total Unrestricted fund balance	<u>\$ 13,143,256</u>
<u>Less adjustments:</u>	
Appropriated fund balance	\$ 5,500,000
Encumbrances included in assigned fund balance	<u>355,562</u>
Total adjustments	<u>\$ 5,855,562</u>
General fund fund balance subject to Section 1318 of Real Property Tax Law	<u>7,287,694</u>
ACTUAL PERCENTAGE	<u><u>3.45%</u></u>

Supplementary Information
WEBSTER CENTRAL SCHOOL DISTRICT, NEW YORK
CAPITAL PROJECTS FUND
Schedule of Project Expenditures
For The Year Ended June 30, 2024

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	70,794,538	(1,294,538)	69,500,000	-	40,175,000	-	-	-	40,175,000	(29,325,000)
Aquatic Project	100,000	100,000	94,489	-	94,489	5,511	-	100,000	-	-	100,000	5,511
DASNY grant	100,000	100,000	97,478	-	97,478	2,522	-	-	99,131	-	99,131	1,653
Thomas Café	-	-	8,837	119,974	128,811	(128,811)	-	-	-	-	-	(128,811)
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
2023-24 Buses	1,600,000	1,600,000	-	1,520,977	1,520,977	79,023	1,600,000	-	-	-	1,600,000	79,023
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	63,638	-	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	-	-	192,676	-	192,676	(192,676)	-	-	-	-	-	(192,676)
Klem North Project	100,000	100,000	16,378	-	16,378	83,622	-	100,000	-	-	100,000	83,622
\$85,000,000 Construction Project	85,000,000	85,000,000	-	6,019,987	6,019,987	78,980,013	-	10,000,000	-	-	10,000,000	3,980,013
Shoeder Fire	1,000,000	1,000,000	-	242,813	242,813	757,187	-	-	-	-	-	(242,813)
23-24 State Rd Capital Outlay	100,000	100,000	-	10,334	10,334	89,666	-	100,000	-	-	100,000	89,666
Leases	1,561,988	1,561,988	-	1,561,988	1,561,988	-	1,561,988	-	-	-	1,561,988	-
TOTAL	\$ 222,341,037	\$ 222,346,822	\$ 134,256,464	\$ 8,181,535	\$ 142,437,999	\$ 79,908,823	\$ 97,565,488	\$ 19,350,574	\$ 99,131	\$ (56,598)	\$ 116,958,595	\$ (25,479,404)

Supplementary Information
WEBSTER CENTRAL SCHOOL DISTRICT, NEW YORK
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2024

	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	\$ 330,440	\$ 379,725	\$ -	\$ -	\$ 710,165
Investments	-	-	135	-	135
Receivables	3,464,144	199,692	-	-	3,663,836
Inventories	-	180,024	-	-	180,024
Due from other funds	3,738,475	2,079,898	185,643	4,223,415	10,227,431
TOTAL ASSETS	\$ 7,533,059	\$ 2,839,339	\$ 185,778	\$ 4,223,415	\$ 14,781,591
LIABILITIES AND FUND BALANCES					
<u>Liabilities -</u>					
Accounts payable	\$ 255	\$ 93,058	\$ -	\$ -	\$ 93,313
Accrued liabilities	24,971	24,086	-	16,579	65,636
Due to other funds	6,761,334	150,369	500	-	6,912,203
Due to other governments	4,350	-	-	-	4,350
Due to ERS	-	415,281	-	-	415,281
Unearned revenue	9,573	53,595	-	-	63,168
TOTAL LIABILITIES	\$ 6,800,483	\$ 736,389	\$ 500	\$ 16,579	\$ 7,553,951
<u>Fund Balances -</u>					
Nonspendable	\$ -	\$ 180,024	\$ -	\$ -	\$ 180,024
Restricted	-	-	185,278	4,206,836	4,392,114
Assigned	732,576	1,922,926	-	-	2,655,502
TOTAL FUND BALANCE	\$ 732,576	\$ 2,102,950	\$ 185,278	\$ 4,206,836	\$ 7,227,640
TOTAL LIABILITIES AND FUND BALANCES	\$ 7,533,059	\$ 2,839,339	\$ 185,778	\$ 4,223,415	\$ 14,781,591

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, 2024

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Special Aid Fund	School Lunch Fund	Miscellaneous Special Revenue Fund	Debt Service Fund	
REVENUES					
Use of money and property	\$ -	\$ 19,968	\$ -	\$ 95,336	\$ 115,304
Miscellaneous	1,685,539	160,211	17,500	-	1,863,250
State sources	2,461,427	64,397	-	-	2,525,824
Federal sources	4,342,578	1,950,387	-	-	6,292,965
Sales	-	1,844,585	-	-	1,844,585
TOTAL REVENUES	\$ 8,489,544	\$ 4,039,548	\$ 17,500	\$ 95,336	\$ 12,641,928
EXPENDITURES					
General support	\$ -	\$ -	\$ -	\$ 283,421	\$ 283,421
Instruction	6,268,873	-	-	-	6,268,873
Pupil transportation	195,436	-	-	-	195,436
Community services	1,260,445	-	-	-	1,260,445
Employee benefits	708,704	684,225	-	-	1,392,929
Debt service - principal	-	-	-	1,715,000	1,715,000
Cost of sales	-	2,001,042	-	-	2,001,042
Other expenses	-	2,085,412	31,500	-	2,116,912
TOTAL EXPENDITURES	\$ 8,433,458	\$ 4,770,679	\$ 31,500	\$ 1,998,421	\$ 15,234,058
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 56,086	\$ (731,131)	\$ (14,000)	\$ (1,903,085)	\$ (2,592,130)
OTHER FINANCING SOURCES (USES)					
Transfers - in	\$ 242,903	\$ -	\$ -	\$ -	\$ 242,903
Premium on obligations issued	-	-	-	2,190,467	2,190,467
TOTAL OTHER FINANCING SOURCES (USES)	\$ 242,903	\$ -	\$ -	\$ 2,190,467	\$ 2,433,370
NET CHANGE IN FUND BALANCE	\$ 298,989	\$ (731,131)	\$ (14,000)	\$ 287,382	\$ (158,760)
FUND BALANCE, BEGINNING OF YEAR	433,587	2,834,081	199,278	3,919,454	7,386,400
FUND BALANCE, END OF YEAR	\$ 732,576	\$ 2,102,950	\$ 185,278	\$ 4,206,836	\$ 7,227,640

Supplementary Information
WEBSTER CENTRAL SCHOOL DISTRICT, NEW YORK
Net Investment in Capital Assets/Right to Use Assets
For The Year Ended June 30, 2024

Capital assets/right to use assets, net		\$ 216,820,267
Add:		
Unspent bond proceeds	\$ 253,679	253,679
Deduct:		
Bond payable	\$ 78,055,000	
Leases	2,353,257	
Unamortized bond premium	6,631,506	
Assets purchased with short-term financing	29,895,085	
Deferred inflow - advanced refunding	20,000	
		116,954,848
Net Investment in Capital Assets/ Right to Use Assets		<u><u>\$ 100,119,098</u></u>

Supplementary Information
WEBSTER CENTRAL SCHOOL DISTRICT, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2024

<u>Grantor / Pass - Through Agency</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Agency Number</u>	<u>Total Expenditures</u>
<u>U.S. Department of Education:</u>			
<u>Passed Through NYS Education Department -</u>			
<u>Special Education Cluster IDEA -</u>			
Special Education - Grants to States (IDEA, Part B)	84.027	0032-24-0388	\$ 1,996,603
Special Education - Preschool Grants (IDEA Preschool)	84.173	0033-24-0388	44,868
<i>Total Special Education Cluster IDEA</i>			\$ 2,041,471
<u>Education Stabilization Funds -</u>			
CRRSA - ESSER II-COVID-19	84.425D	5891-21-1410	\$ 28,476
ARP - ESSER III-COVID-19	84.425U	5880-21-1410	653,212
ARP - Full Day UPK-COVID-19	84.425U	5870-24-9304	421,000
ARP - Homeless Children and Youth II-COVID-18	84.425W	5218-21-1410	7,260
ARP - Homeless Children and Youth II SL-COVID-18	84.425W	5219-21-1410	3,729
<i>Total Education Stabilization Funds</i>			\$ 1,113,677
Title IIA - Supporting Effective Instruction State Grant	84.367	0147-23-1410	1,255
Title IIA - Supporting Effective Instruction State Grant	84.367	0147-24-1410	154,259
Title IIIA - Immigration Education	84.365	0149-24-1410	419
Title IIIA - LEP	84.365	0293-23-1410	9,248
Title IIIA - LEP	84.365	0293-24-1410	31,525
Title IV - Student Support and Enrichment Program	84.424	0204-23-1410	111
Title IV - Student Support and Enrichment Program	84.424	0204-24-1410	73,784
Title I - Grants to Local Educational Agencies	84.010	0021-23-1410	2,098
Title I - Grants to Local Educational Agencies	84.010	0021-24-1410	914,731
Total U.S. Department of Education			\$ 4,342,578
<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	\$ 1,168,392
National School Breakfast Program	10.553	261901060000	240,456
National School Lunch Program-Non-Cash Assistance (Commodities)	10.555	261901060000	312,557
Supply Chain Assistance-COVID-19	10.555	261901060000	215,764
National School Snack Program	10.555	261901060000	13,218
<i>Total Child Nutrition Cluster</i>			\$ 1,950,387
Total U.S. Department of Agriculture			\$ 1,950,387
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 6,292,965



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, 2024, 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 3, 2024.

Report on 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 and significant deficiencies may exist that have not been identified.

Report on 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 3, 2024