

GREENVILLE CENTRAL SCHOOL DISTRICT

**Financial Statements and
Required Reports as of
June 30, 2023
Together with
Independent Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)	4
FINANCIAL STATEMENTS:	
Statement of net position	16
Statement of activities	17
Balance sheet – Governmental funds.....	18
Reconciliation of total governmental fund balances to government-wide financial position	19
Statement of revenue, expenditures, and changes in fund balances – Governmental funds	20
Reconciliation of the statement of revenue, expenditures, and changes in fund balance to the statement of activities.....	21
Statement of net position - Fiduciary funds.....	22
Statement of changes in net position - Fiduciary funds.....	23
Notes to financial statements.....	24
REQUIRED SUPPLEMENTARY INFORMATION (Unaudited):	
Schedule of revenue, expenditures, and changes in fund balance – Budget and actual - General fund	53
Schedule of proportionate share of net pension liability (asset).....	55
Schedule of contributions – pension plans.....	56
Schedule of changes in total OPEB liability and related ratios	57
SUPPLEMENTARY INFORMATION:	
Schedule of combining balance sheet – non-major governmental funds	58
Schedule of combining statement of revenues, expenditures and changes in fund balances – non-major governmental funds	59

CONTENTS (Continued)

OTHER INFORMATION (Unaudited):

Schedule of change from original budget to revised budget – General fund.....	60
Schedule of Section 1318 of Real Property Tax Law Limit Calculation - General fund	60
Schedule of project expenditures - Capital projects fund	61
Schedule of net investment in capital assets	62

REQUIRED REPORT UNDER GOVERNMENT AUDITING STANDARDS

Independent Auditor’s report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	63
Schedule of findings and responses.....	65

INDEPENDENT AUDITOR'S REPORT

September 15, 2023

The Board of Education of
Greenville Central School District:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the School District as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

(Continued)

INDEPENDENT AUDITOR'S REPORT (Continued)

Responsibilities of Management for the Financial Statements (Continued)

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 School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of proportionate share of net pension (asset) liability and contributions – pension plans, and changes in total OPEB liability and related ratios 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.

INDEPENDENT AUDITOR'S REPORT (Continued)

Required Supplementary Information (Continued)

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 the School District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the Schedule of Change from Original Budget to Revised Budget and the Real Property Tax Limit - General Fund, Schedule of Project Expenditures - Capital Projects Fund and the Schedule of Net Investment in Capital Asset but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2023, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

GREENVILLE CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) JUNE 30, 2023

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2023. This section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed, as well as a comparative analysis to prior year information. 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

- Government-wide net position of the School District is \$(21,264,958).
- Government-wide net position was \$766,418 less than at July 1, 2022.
- The increase in the total OPEB (Other Post-Employment Benefits) liability in this fiscal year was \$2,480,445.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

- The first two statements are School District-wide financial statements that provide both short-term and long-term information about the School District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the School District, reporting the operation in more detail than the entity-wide statements.
- The governmental fund statements tell how basic services such as instruction and support functions were financed in the short-term, as well as what remains for future spending.
- Fiduciary funds statements provide information about the financial relationships in which the School District acts solely as a trustee or agent for the benefit of others, including the employees of the School District.

The financial statements also include notes that provide additional information about the financial statements and the balances reported. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year. Table A-1 shows how the various parts of this annual report are arranged and related to one another.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Table A – 1: Organization of the School District’s Annual Financial Report

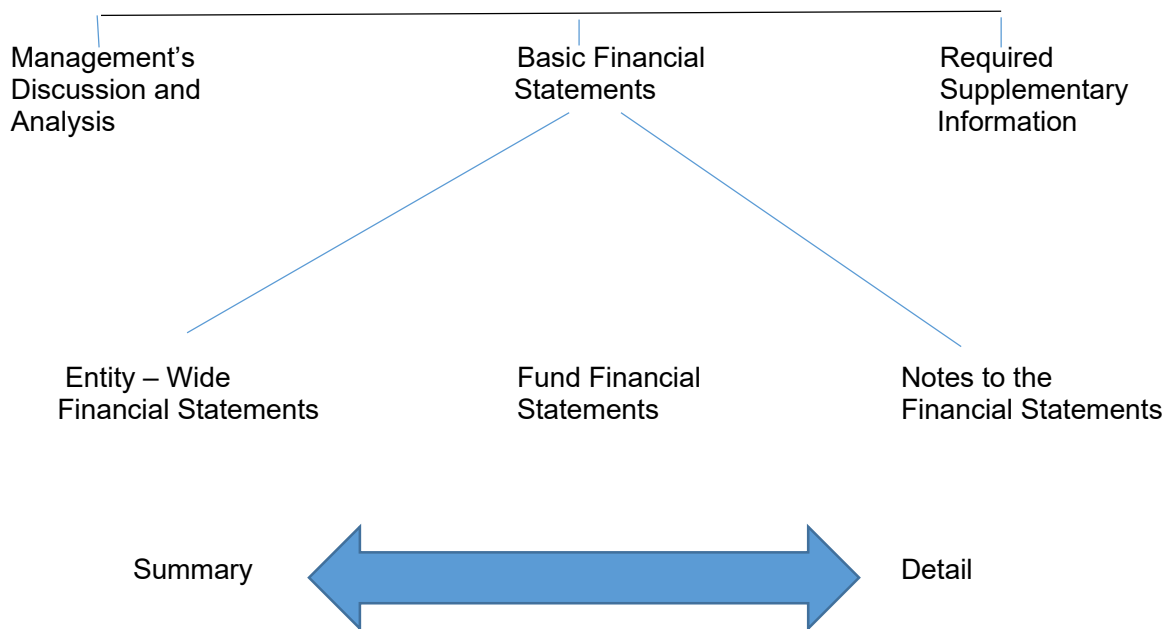


Table A – 2 summarizes the major features of the School District’s financial statements, including the portion of the School District’s activities that they cover and the types of information that they contain. The remainder of this overview section highlights the structure and contents of each statement.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Table A-2 Major Features of the School District-Wide and Fund Financial Statements

	School District-Wide	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire School District (except fiduciary funds)	The day-to-day operating activities of the School District, such as instruction and special education.	Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and student activities monies.
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances. 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial focus.	Accrual accounting and economic resources focus.
Type of asset & deferred outflow/liability & deferred inflow information	All assets, deferred outflows, liabilities, and deferred inflows 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 revenue and expenses during the year, regardless of when cash is received or paid.	Revenue 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.

School District-Wide Statements

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

The two School District-wide statements report the School District's net position and how they have changed. Net position – the difference between the School District's assets and liabilities – is one way to measure the School District's financial health or position.

- Over time, increases or decreases in the School District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- For assessment of the overall health of the School District, additional nonfinancial factors, such as changes in the property tax base and the condition of buildings and other facilities, should be considered.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

School District-Wide Statements (Continued)

Net position of the governmental activities differ from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets are reported as expenditures when financial resources (dollars) are expended to purchase or build such assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. Principal and interest payments are considered expenditures when paid. Depreciation is not calculated in the governmental fund financial statements. Capital assets and long-term debt are accounted for in account groups and do not affect the fund balances.

School District-wide statements use an economic resources measurement focus and full accrual basis of accounting that involves the following steps to prepare the statement of net position:

- Capitalize current outlays for capital assets.
- Report long-term debt as a liability.
- Depreciate capital assets and allocate the depreciation to the proper function.
- Calculate revenue and expenditures using the economic resources measurement focus and the full accrual basis of accounting.
- Allocate net position balances as follows:
 - Net position invested in capital assets.
 - Restricted net position are those with constraints placed on use by external sources or imposed by law.
 - Unrestricted net position is a net position that does not meet any of the above restrictions.

Fund Financial Statements

The fund financial statements provide more detailed information about the School District's funds – not the School District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs. The funds have been established by the State of New York.

The School District has two types of funds:

- *Governmental Funds*: Most of the School District's basic services are accounted for in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the School District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them. The governmental fund statements focus primarily on current financial resources and often have a budgetary orientation. Governmental funds include the general fund, special aid fund, school lunch fund, capital projects fund, debt service fund, and miscellaneous special revenue fund. Required financial statements are the balance sheet and the statement of revenue, expenditures, and changes in fund balance.
- *Fiduciary Funds*: The School District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship funds. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School District excludes these activities from the School District-wide financial statements because it cannot use these assets to finance its operations. Fiduciary fund reporting focuses on net position and changes in net position.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The School District's net position as of June 30, 2023 are detailed in Tables A-3 and A-4.

Table A-3 Condensed Statement of Net Position (In Thousands of Dollars)

	Fiscal Year <u>2023</u>	Fiscal Year <u>2022</u>	Percent <u>Change</u>
Current and other assets	\$ 14,197	\$ 13,255	7.1%
Non current assets	<u>34,036</u>	<u>45,965</u>	<u>-26.0%</u>
Total assets	<u>48,233</u>	<u>59,220</u>	<u>-18.6%</u>
Deferred outflows of resources	<u>18,368</u>	<u>16,423</u>	<u>11.8%</u>
Current liabilities	4,606	4,926	-6.5%
Long-term liabilities	<u>60,786</u>	<u>55,315</u>	<u>9.9%</u>
Total liabilities	<u>65,392</u>	<u>60,241</u>	<u>8.6%</u>
Deferred inflows of resources	<u>22,473</u>	<u>35,900</u>	<u>-37.4%</u>
Net position:			
Investment in capital assets	20,259	18,873	7.3%
Restricted	7,058	5,231	34.9%
Unrestricted	<u>(48,582)</u>	<u>(44,602)</u>	<u>8.9%</u>
Total net position	<u>\$ (21,265)</u>	<u>\$ (20,498)</u>	<u>3.7%</u>

During 2023, the School District's net position decreased by \$766,418. (See Table A-3).

Deferred outflows of resources pertain to payments after measurement date for pension and OPEB as well as actuarial assumption changes.

The increase in liabilities can be attributed primarily to the annual Other Post Employment Benefit accrual.

Deferred Inflows of Resources relate primarily to pension deferred activity which is detailed in the accompanying notes.

Changes in Net Position

The School District's fiscal year 2023 revenue totaled \$36,698,080 (see Table A-4). Property taxes and state aid accounted for most of the School District's revenue by contributing 45% and 38% respectively, of every dollar raised (see Table A-5). The remainder came from fees charged for services, (intermunicipal agreements), tuition for foster students, interest earnings, Medicaid reimbursement, and other miscellaneous sources.

The total cost of all programs and services totaled \$37,464,498 in 2023. 80% of this amount is used to support general instruction, the provision of services to students with disabilities, and student transportation (see Table A-6). The School District's Board of Education, administrative, and business activities accounted for 20% of total costs.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

Changes in Net Position (Continued)

Table A-4 Changes in Net Position from Operating Results (In Thousands of Dollars)

	Fiscal Year <u>2023</u>	Fiscal Year <u>2022</u>	Percent <u>Change</u>
<u>Revenue</u>			
Charges for services	\$ 705	\$ 573	23.0%
Operating grants	2,845	3,011	-5.5%
General revenue:			
Real property taxes and other tax items	17,897	17,484	2.4%
Use of money and property	211	29	627.6%
Sale of property/compensation for loss	2	4	-50.0%
Federal sources	-	35	-100.0%
State sources	13,939	13,747	1.4%
Food sales and surplus	244	71	243.7%
Other	856	820	4.4%
	<hr/>	<hr/>	
Total revenue	36,699	35,774	2.6%
	<hr/>	<hr/>	
<u>Expenses</u>			
General support	6,469	4,845	33.5%
Instruction	27,284	22,832	19.5%
Pupil transportation	2,783	2,114	31.6%
Debt service	301	324	-7.1%
School lunch program	627	516	21.5%
	<hr/>	<hr/>	
Total expenses	37,464	30,631	22.3%
	<hr/>	<hr/>	
Increase (Decrease) in net position	<u>\$ (765)</u>	<u>\$ 5,143</u>	<u>-114.9%</u>

Significant changes in revenue from 2021/2022 to 2022/2023 school year include:

- Increase in real property taxes and other tax items of approximately \$413 thousand
- Increase in total state aid of approximately \$191 thousand
- Increase in school lunch non reimbursable meals of \$173 thousand
- Increase in interest of approximately \$183 thousand
- Increase in tuition from other School Districts of approximately \$108 thousand
- Decrease in school lunch federal and state aid of \$254 thousand

Significant changes in expenditures from 2021/2022 to 2022/2023 school year include:

- Contractual salary increases and related payroll expenses (i.e., Social Security)
- Increase in classroom furniture
- Decrease in tuition and contract transportation costs

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

Table A-5 Revenue for Fiscal Year 2023:

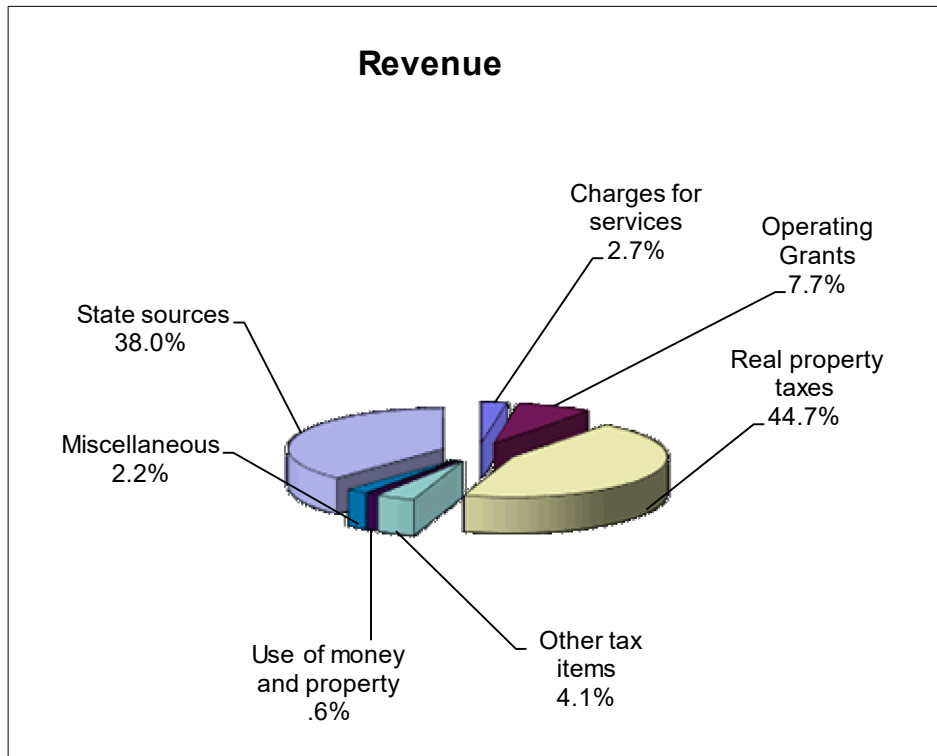
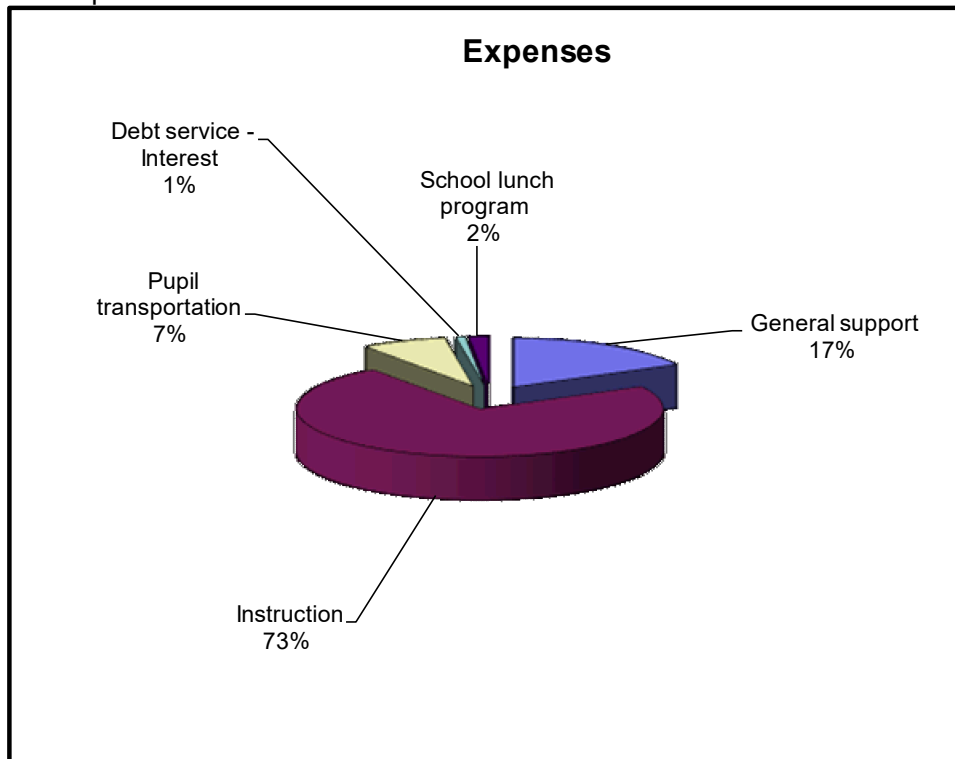


Table A-6 Expenditures for Fiscal Year 2023:



FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

Governmental Activities

Revenue for the School District's governmental activities totaled \$36,698,080 or 2.5% more than the previous fiscal year. Total expenses equaled \$37,464,498 or 22.3% more than the previous fiscal year. The net result of the change in the School District's financial condition can be credited to:

- Net changes to revenues and expenditures as detailed in the financial highlights, resulted in a decrease to net position.

Table A-7 presents the cost of five major School District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, capital outlay, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and aid provided for specific programs). The net cost shows the financial burden placed on the School District's taxpayers by each of these functions.

Table A-7 Net Cost of Governmental Activities

<u>Category</u>	<u>2023</u>		<u>2022</u>	
	<u>Total Cost</u>	<u>Net Cost</u>	<u>Total Cost</u>	<u>Net Cost</u>
General support	\$ 6,469	\$ 6,469	\$ 4,845	\$ 4,845
Instruction	27,284	24,120	22,832	19,874
Pupil transportation	2,783	2,783	2,114	2,114
Debt service	301	301	324	324
School lunch	627	(1)	516	(181)
Total	<u>\$ 37,464</u>	<u>\$ 33,672</u>	<u>\$ 30,631</u>	<u>\$ 26,976</u>

- The total cost of all governmental activities this year was \$37,464,498.
- The users of the School District's programs financed \$948,693 of the cost.
- The federal and state governments subsidized certain programs with grants and contributions in the amount of \$2,844,515.
- Most of the School District's net costs, \$33,671,290, were financed by taxpayers and state aid.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Variances between years for the governmental fund financial statements are not the same as variances between years for the School District-wide financial statements. The School District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Based on this presentation, governmental funds do not include long-term debt liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include the proceeds received from the issuance of debt, the current payments for capital assets, and the current payments for debt.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)

Governmental Funds Highlights

General Fund – The School District continues to comply with the restrictions of the NYS property tax cap. Real Property Tax Law §1318 limits the amount of unexpended surplus funds a School District can retain to no more than 4% of the next years' budgetary appropriations. Funds properly retained under other sections of law (i.e., reserve funds established pursuant to Education law of GML) are excluded from the 4 % limitation.

- The School Districts unassigned fund balance: At 3.93% - \$1,625,221 (June 30, 2022) to \$1,346,857 (June 30, 2023). The fiscal importance of a favorable fund balance at the end of the year has a major impact on both the computation of the tax levy, meeting emergencies, bond rating and cash flow.
- This funding source should not be used for expenditures that cannot be sustained. The funding is projected to be needed to support the budgets in the coming years.

Fund Balance – Restricted (June 30, 2023 Balances)

The School District had the following restricted fund balance reserves at year end:

Workers Compensation Reserve	\$ 81,186
Reserve for Employee Benefits and Accrued Liabilities	552,913
Reserve for Retirement Contributions	1,635,973
Unemployment Reserve	238,426
Debt Service Reserve	290,029
Other	134,070
Capital Reserve	<u>4,125,675</u>
Total	<u>\$ 7,058,272</u>

Special Aid Fund –

During this period (2021/2022 to 2022/2023), State and Federal Aid reported in the Special Aid Fund showed an increase of \$74,986. Most of the School District's state and federal grant allocations remained steady from the previous year. The Federal grants (Title I, IDEA etc.) help to offset the cost of salary and benefits. The School District received ARP and CRRSA grant money from the federal government to help with the Learning Loss due to the COVID pandemic.

School Lunch Fund –

The School Lunch fund began the year with a fund balance of \$174,023. Food service ended with a net surplus of \$52,959. The year-end fund balance is \$226,982. The School District budgeted a subsidy to the School Lunch fund for \$7,587.

Capital Projects Fund -

The School District increased its annual budget line item for capital improvements. For the 2022/2023 school year, this line item increased from \$230,000 to \$420,000. The 2022/2023 budgeted capital project included replacement of the dust collector system in the technology classroom along with air ventilation system.

Adherence to long-range financial plans is considered a reflection of good forecasting and planning. The School District's most significant asset/investment in our mission to educate students is our buildings; with the buildings comes the responsibility to monitor, maintain and make repairs to the buildings. Neglecting critical capital needs may impede economic growth and endanger future tax revenues. Although some capital projects are discretionary and can be deferred in difficult economic periods, the failure to maintain existing facilities can create a backlog of projects.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)

General Fund Budgetary Highlights

This section presents an analysis of significant variances between original and final budget amounts and between final budget amounts and actual results for the General fund.

	Original <u>Budget</u>	Final <u>Budget</u>	Actual <u>(Budgetary Basis)</u>	<u>Encumbrances</u>	Final Budget Variance with <u>Budgetary Actual</u>
REVENUE					
LOCAL SOURCES:					
Real property taxes	\$ 17,749,556	\$ 17,749,556	\$ 16,397,436	\$ -	\$ (1,352,120)
Other tax items	139,198	139,198	1,499,453	-	1,360,255
Charges for services	337,700	337,700	704,855	-	367,155
Use of money and property	15,000	15,000	211,428	-	196,428
Sale of property and compensation for loss	-	-	1,700	-	1,700
Miscellaneous	<u>517,394</u>	<u>517,394</u>	<u>576,706</u>	<u>-</u>	<u>59,312</u>
Total local sources	18,758,848	18,758,848	19,391,578	-	632,730
State sources	13,967,461	13,967,461	13,938,567	-	(28,894)
Medicaid reimbursement	<u>-</u>	<u>-</u>	<u>29,865</u>	<u>-</u>	<u>29,865</u>
Total revenue	<u>32,726,309</u>	<u>32,726,309</u>	<u>33,360,010</u>	<u>-</u>	<u>633,701</u>
OTHER FINANCING SOURCES					
Proceeds from leases	-	-	608,269	-	608,269
Operating transfers in	<u>100,000</u>	<u>100,000</u>	<u>117,024</u>	<u>-</u>	<u>17,024</u>
Total other financing sources	<u>100,000</u>	<u>100,000</u>	<u>725,293</u>	<u>-</u>	<u>625,293</u>
Total revenue and other financing sources	<u>32,826,309</u>	<u>32,826,309</u>	<u>34,085,303</u>	<u>-</u>	<u>1,258,994</u>
EXPENDITURES					
GENERAL SUPPORT:					
Board of education	\$ 33,364	\$ 36,711	\$ 35,123	\$ -	\$ 1,588
Central administration	232,836	236,314	235,993	93	228
Finance	363,471	361,221	341,793	16,671	2,757
Staff	322,337	573,629	427,595	129,050	16,984
Central services	2,131,666	4,938,098	3,139,881	1,369,907	428,310
Special items	<u>488,089</u>	<u>545,666</u>	<u>537,082</u>	<u>-</u>	<u>8,584</u>
Total general support	3,571,763	6,691,639	4,717,467	1,515,721	458,451
INSTRUCTION:					
Instruction, administration, and improvement	1,026,062	1,083,614	1,040,108	35,529	7,977
Teaching - Regular school	8,079,185	7,890,630	7,729,244	35,664	125,722
Programs for children with handicapping condition	4,456,191	4,027,125	3,877,487	1,418	148,220
Occupational education	785,012	785,341	782,182	-	3,159
Teaching - Special school	177,122	192,834	168,997	-	23,837
Instructional media	889,704	1,253,789	1,010,622	203,308	39,859
Pupil services	<u>1,758,952</u>	<u>1,801,309</u>	<u>1,732,605</u>	<u>10,820</u>	<u>57,884</u>
Total instruction	17,172,228	17,034,642	16,341,245	286,739	406,658
Pupil transportation	1,962,988	1,997,468	1,917,159	246	80,063
Employee benefits	8,271,273	7,456,095	6,635,754	5,775	814,566
Debt service - Principal	1,829,000	1,829,000	2,415,369	-	(586,369)
Debt service - Interest	<u>405,190</u>	<u>400,741</u>	<u>409,345</u>	<u>-</u>	<u>(8,604)</u>
Total expenditures	33,212,442	35,409,585	32,436,339	1,808,481	1,164,765
OTHER FINANCING USES					
Operating transfers out	<u>485,000</u>	<u>3,073,087</u>	<u>3,066,228</u>	<u>-</u>	<u>6,859</u>
Total expenditures and other uses	<u>33,697,442</u>	<u>38,482,672</u>	<u>35,502,567</u>	<u>1,808,481</u>	<u>1,171,624</u>
NET CHANGE IN FUND BALANCE	(871,133)	(5,656,363)	(1,417,264)	(1,808,481)	2,430,618
FUND BALANCE - beginning of year	<u>9,355,257</u>	<u>9,355,257</u>	<u>9,355,257</u>	<u>-</u>	<u>-</u>

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)

General Fund Budgetary Highlights (Continued)

Revenue Variances

- Charges for services were approximately \$367,000 more than budgeted due to more cross contract students coming to the school district.
- Interest and earnings were approximately \$196,428 more than budgeted due to higher interest rates.

Expenditure Variances

- General expenditures and year-end encumbrances were \$1,164,765 less than what was budgeted.

At the time these financial statements were prepared and audited, the School District continues to be aware of the following existing circumstances that could affect its future financial health (both positive and negative):

- The School District's long-term budget goal is to reduce the reliance of Appropriated Fund balance in future years. Due to the pandemic, the School District will be tracking their expenditures and revenues to keep the long-term goal possible.
- Post-retirement (Health Care) costs will continue to increase.
- For the 2023/2024 school year, six solar PILOTs will impact the tax cap calculation as the amount of taxes received from taxpayers will be reduced by the revenue received from the solar PILOTs.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)

Capital Assets

By the end of 2023, the School District had an investment of \$34,035,500 in a broad range of capital assets.

Table A-8: Capital Assets (net of accumulated depreciation in thousands)

<u>Category</u>	Fiscal Year <u>2023</u>	Fiscal Year <u>2022</u>	Percent Change
Land	\$ 157	\$ 157	0.0%
Construction in progress	196	60	226.7%
Buildings and land improvements	30,087	30,664	-1.9%
Furniture and equipment	1,627	1,241	31.1%
Computers	98	211	-53.6%
Vehicles	1,871	977	91.5%
	<u> </u>	<u> </u>	
Total	<u>\$ 34,036</u>	<u>\$ 33,310</u>	<u>2.2%</u>

Long-Term Liabilities

At year-end, the School District had \$60,786,449 of long-term liabilities outstanding. More detailed information about the School District's long-term liabilities is presented in the notes to the financial statements.

Table A-9: Outstanding Long-Term Liabilities (in thousands)

<u>Category</u>	Fiscal Year <u>2023</u>	Fiscal Year <u>2022</u>
General obligation bonds	\$ 11,835	\$ 12,415
Other post employment benefits	44,898	42,418
Other long-term liabilities	<u>4,053</u>	<u>482</u>
	<u> </u>	<u> </u>
Total	<u>\$ 60,786</u>	<u>\$ 55,315</u>

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

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

Michael Bennett
 Superintendent of Schools
 Greenville Central School District Office
 PO Box 129
 Greenville, NY 12083
 Email: bennettm@greenvillesd.org

GREENVILLE CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION JUNE 30, 2023

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

CURRENT ASSETS:

Cash - Unrestricted	\$ 8,868,379
Cash - Restricted	4,153,066
State and federal aid receivable	1,072,758
Accounts receivable	85,275
Inventory	17,347
Total current assets	<u>14,196,825</u>

NON CURRENT ASSETS:

Capital assets, net	<u>34,035,500</u>
Total non current assets	<u>34,035,500</u>

DEFERRED OUTFLOWS OF RESOURCES:

Deferred outflows of resources - pensions	8,590,933
Deferred outflows of resources - other post-employment benefits payable	<u>9,777,286</u>
Total deferred outflows of resources	<u>18,368,219</u>

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

66,600,544

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

CURRENT LIABILITIES:

Accounts payable and accrued liabilities	863,315
Accrued interest	18,475
Due to other governments	64,324
Due to Teachers' Retirement System	1,369,559
Due to Employees' Retirement System	153,742
Other liabilities	27,335
Unearned revenue	406,825
Current portion of leases payable	142,837
Current portion of long-term debt	<u>1,560,000</u>
Total current liabilities	<u>4,606,412</u>

LONG-TERM LIABILITIES:

Bonds payable, net of current portion	11,835,000
Unamortized bonds premium - net of bonds payable	98,021
Leases payable, net of current portion	141,089
Total other post-employment benefits	44,898,351
Net pension liability	3,603,788
Compensated absences payable	<u>210,200</u>
Total long-term liabilities	<u>60,786,449</u>

DEFERRED INFLOWS OF RESOURCES:

Deferred inflows of resources - pensions	873,994
Deferred inflows of resources - Other post-employment benefits payable	<u>21,598,647</u>
Total deferred inflows of resources	<u>22,472,641</u>

TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

87,865,502

NET POSITION

Net investment in capital assets	20,258,553
Restricted	7,058,272
Unrestricted	<u>(48,581,783)</u>
TOTAL NET POSITION	<u>\$ (21,264,958)</u>

The accompanying notes are an integral part of these statements.

GREENVILLE CENTRAL SCHOOL DISTRICT

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Expenses</u>	<u>Program Revenue</u>		Net (Expense) Revenue and Changes in <u>Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants</u>	
FUNCTIONS/PROGRAMS:				
General support	\$ 6,469,245	\$ -	\$ -	\$ (6,469,245)
Instruction	27,284,062	704,855	2,459,541	(24,119,666)
Pupil transportation	2,782,659	-	-	(2,782,659)
Debt service - Interest	301,197	-	-	(301,197)
School lunch program	<u>627,335</u>	<u>243,838</u>	<u>384,974</u>	<u>1,477</u>
TOTAL FUNCTIONS AND PROGRAMS	<u>\$ 37,464,498</u>	<u>\$ 948,693</u>	<u>\$ 2,844,515</u>	<u>(33,671,290)</u>
GENERAL REVENUE:				
Real property taxes				16,397,436
Other tax items				1,499,453
Use of money and property				211,471
Sale of property and compensation for loss				1,700
Miscellaneous				826,380
Medicaid reimbursement				29,865
State sources				<u>13,938,567</u>
TOTAL GENERAL REVENUE				<u>32,904,872</u>
CHANGE IN NET POSITION				(766,418)
NET POSITION - beginning of year				<u>(20,498,540)</u>
NET POSITION - end of year				<u>\$ (21,264,958)</u>

The accompanying notes are an integral part of these statements.

GREENVILLE CENTRAL SCHOOL DISTRICT

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Governmental Fund Types			Total Governmental Funds
	<u>General</u>	<u>Capital Projects</u>	<u>Non-Major Funds</u>	
ASSETS				
Cash - Unrestricted	\$ 8,823,571	\$ -	\$ 44,808	\$ 8,868,379
Cash - Restricted	3,911,522	107,474	134,070	4,153,066
Accounts receivable	84,953	-	322	85,275
Due from other funds	-	2,905,206	544,576	3,449,782
State and federal aid receivable	739,774	-	332,984	1,072,758
Inventory	-	-	17,347	17,347
TOTAL ASSETS	<u>\$ 13,559,820</u>	<u>\$ 3,012,680</u>	<u>\$ 1,074,107</u>	<u>\$ 17,646,607</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 848,278	\$ -	\$ 15,037	\$ 863,315
Due to other funds	3,159,753	290,029	-	3,449,782
Due to other governments	63,160	-	1,164	64,324
Due to Teachers' Retirement System	1,369,559	-	-	1,369,559
Due to Employees' Retirement System	153,742	-	-	153,742
Other liabilities	27,335	-	-	27,335
Unearned revenue	-	-	406,825	406,825
TOTAL LIABILITIES	<u>5,621,827</u>	<u>290,029</u>	<u>423,026</u>	<u>6,334,882</u>
FUND BALANCE				
Nonspendable				
Inventory	-	-	17,347	17,347
Restricted				
Workers compensation	81,186	-	-	81,186
Employee benefit liability	552,913	-	-	552,913
Retirement	1,635,973	-	-	1,635,973
Unemployment	238,426	-	-	238,426
Debt service	-	-	290,029	290,029
Other	-	-	134,070	134,070
Capital	1,403,024	2,722,651	-	4,125,675
Total restricted fund balance	<u>3,911,522</u>	<u>2,722,651</u>	<u>424,099</u>	<u>7,058,272</u>
Assigned				
Other	1,808,481	-	209,635	2,018,116
Appropriated for subsequent years expenditures	871,133	-	-	871,133
Total assigned fund balance	<u>2,679,614</u>	<u>-</u>	<u>209,635</u>	<u>2,889,249</u>
Unassigned	<u>1,346,857</u>	<u>-</u>	<u>-</u>	<u>1,346,857</u>
TOTAL FUND BALANCE	<u>7,937,993</u>	<u>2,722,651</u>	<u>651,081</u>	<u>11,311,725</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 13,559,820</u>	<u>\$ 3,012,680</u>	<u>\$ 1,074,107</u>	<u>\$ 17,646,607</u>

The accompanying notes are an integral part of these statements.

GREENVILLE CENTRAL SCHOOL DISTRICT

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO GOVERNMENT-WIDE FINANCIAL POSITION
JUNE 30, 2023**

Total governmental fund balances per above.	\$ 11,311,725
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	34,035,500
Pension related government wide activity	
Deferred outflows or resources	8,590,933
Net pension liability	(3,603,788)
Deferred inflows of resources	(873,994)
OPEB related government wide activity	
Deferred outflows or resources	9,777,286
Deferred inflows of resources	(21,598,647)
Long-term liabilities, including bonds payable, leases payable, and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	(13,987,147)
Total other post-employment benefits liability	(44,898,351)
Interest payable at end of year, in the government-wide statements under full accrual accounting.	<u>(18,475)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (21,264,958)</u>

GREENVILLE CENTRAL SCHOOL DISTRICT

**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Governmental Fund Types</u>			Total Governmental Funds
	<u>General</u>	<u>Capital Projects</u>	<u>Non-Major Funds</u>	
REVENUE:				
Real property taxes	\$ 16,397,436	\$ -	\$ -	\$ 16,397,436
Other tax items	1,499,453	-	-	1,499,453
Charges for services	704,855	-	-	704,855
Use of money and property	211,428	-	43	211,471
Sale of property and compensation for loss	1,700	-	-	1,700
Miscellaneous	576,706	-	240,499	817,205
State sources	13,938,567	-	361,270	14,299,837
Federal sources	-	-	2,483,245	2,483,245
Medicaid reimbursement	29,865	-	-	29,865
Sales - School lunch	-	-	243,838	243,838
	<u>33,360,010</u>	<u>-</u>	<u>3,328,895</u>	<u>36,688,905</u>
EXPENDITURES:				
General support	4,717,467	-	360,655	5,078,122
Instruction	16,341,245	-	2,067,587	18,408,832
Pupil transportation	1,917,159	-	69,440	1,986,599
Employee benefits	6,635,754	-	96,561	6,732,315
Debt service - Principal	2,415,369	-	-	2,415,369
Debt service - Interest	409,345	-	-	409,345
Other	-	-	233,029	233,029
Cost of sales	-	-	496,920	496,920
Capital outlay	-	1,513,913	-	1,513,913
	<u>32,436,339</u>	<u>1,513,913</u>	<u>3,324,192</u>	<u>37,274,444</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>923,671</u>	<u>(1,513,913)</u>	<u>4,703</u>	<u>(585,539)</u>
OTHER SOURCES AND (USES):				
Proceeds from the issuance of leases	608,269	-	-	608,269
Proceeds from the issuance of bonds	-	1,193,760	-	1,193,760
Premium on issuance of debt	-	-	9,175	9,175
Operating transfers in	117,024	3,020,500	45,728	3,183,252
Operating transfers (out)	<u>(3,066,228)</u>	<u>(17,024)</u>	<u>(100,000)</u>	<u>(3,183,252)</u>
	<u>(2,340,935)</u>	<u>4,197,236</u>	<u>(45,097)</u>	<u>1,811,204</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER (USES)	<u>(1,417,264)</u>	<u>2,683,323</u>	<u>(40,394)</u>	<u>1,225,665</u>
FUND BALANCE - beginning of year	<u>9,355,257</u>	<u>39,328</u>	<u>691,475</u>	<u>10,086,060</u>
FUND BALANCE - end of year	<u>\$ 7,937,993</u>	<u>\$ 2,722,651</u>	<u>\$ 651,081</u>	<u>\$ 11,311,725</u>

The accompanying notes are an integral part of these statements.

GREENVILLE CENTRAL SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2023

Net change in fund balance - Total governmental funds	\$ 1,225,665
Capital outlays are expenditures in governmental funds, but are capitalized in the statement of net position, net of disposals	1,899,321
Depreciation is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities, net of gain on sale	(1,460,526)
Leases are expenditures in governmental funds, net of disposals, but are capitalized in the statement of net position	608,269
Amortization is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities	(372,541)
Pension expense resulting from GASB 68 reporting is not recorded as an expenditure in the government funds but is recorded in the statement of activities.	(861,430)
Repayments of long-term debt are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position.	1,828,760
Government funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.	98,023
Repayments of long-term lease liabilities are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position.	586,609
Issuance of long-term lease liabilities are recorded as expenditures in the governmental funds but are recorded as a liability in the statement of net position.	(608,269)
Proceeds of long-term bonds are recorded as revenue in the governmental funds, but are recorded as increases in debt in the statement of net position.	(1,193,760)
Accrued interest expense does not require the expenditure of current resources and is, but are recorded as payments of liabilities in the statement of net position.	10,125
Compensated absences do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds.	(22,495)
Accrued post-employment benefits do not require the expenditure of current resources and are, therefore not reported as expenditures in the governmental funds.	<u>(2,504,169)</u>
Change in net position - Governmental activities	<u>\$ (766,418)</u>

The accompanying notes are an integral part of these statements.

GREENVILLE CENTRAL SCHOOL DISTRICT

**STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2023**

	Private Purpose <u>Trust Funds</u>	Custodial <u>Funds</u>	<u>Total</u>
ASSETS:			
Cash - restricted	\$ <u>7,365</u>	\$ <u>-</u>	\$ <u>7,365</u>
LIABILITIES:			
Other liabilities	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
NET POSITION:			
Restricted for individuals	\$ <u>7,365</u>	\$ <u>-</u>	\$ <u>7,365</u>

The accompanying notes are an integral part of these statements.

GREENVILLE CENTRAL SCHOOL DISTRICT

**STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	Private Purpose <u>Trust Funds</u>	Custodial <u>Funds</u>	<u>Total</u>
ADDITIONS:			
Gifts and contributions	\$ 204	\$ -	\$ 204
Interest	4	-	4
Tax collections for other governments	-	72,158	72,158
Total additions	<u>208</u>	<u>72,158</u>	<u>72,366</u>
DEDUCTIONS:			
Scholarships and other private purposes	554	-	554
Payments of tax to other governments	-	72,158	72,158
Total deductions	<u>554</u>	<u>72,158</u>	<u>72,712</u>
NET DECREASE	(346)	-	(346)
NET POSITION - beginning of year	<u>7,711</u>	<u>-</u>	<u>7,711</u>
NET POSITION - end of year	<u>\$ 7,365</u>	<u>\$ -</u>	<u>\$ 7,365</u>

The accompanying notes are an integral part of these statements.

GREENVILLE CENTRAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2023

1. NATURE OF OPERATIONS

Greenville Central School District provides K-12 public education to students living within its geographic borders.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

Greenville Central School District is governed by the Laws of New York State. The School District is an independent entity governed by an elected Board of Education (BOE). The President of the Board serves as Chief Fiscal Officer and the Superintendent is the Chief Executive Officer. The BOE has authority to make decisions, power to appoint management and accountability for all fiscal matters.

The reporting entity of the School District is based upon criteria set forth by GASB. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

Extraclassroom Activity Funds

The extraclassroom activity funds of the School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The extraclassroom activity funds are independent of the School 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 School District's business office. The School District accounts for assets held as an agent for various student organizations in the Miscellaneous Special Revenue fund.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Joint Venture

The School District is a component School District of Questar III Board of Cooperative Education Services (BOCES). 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.

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 the New York State Education Law, §1950(4)(b)(7). In addition, component School Districts pay tuition or a service fee for programs in which its students participate.

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

Basis of Presentation

School District-Wide Statements

The statement of net position and the statement of activities present financial information about the School 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 revenue, 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 direct expenses and program revenue for each function of the School District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenue includes 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. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue.

Fund Financial Statements

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

The School District reports the following major governmental funds:

- *General Fund* - This is the School District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.
- *Capital Projects Funds* - These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The School District reports the following non-major governmental funds:

- *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 and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds or by outside parties.
- *School Lunch Fund* - This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for school lunch operations. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.
- *Debt Service Fund* – This fund is used to account for the accumulation of resources to be used for the redemption of principal and interest on long term debt.
- *Miscellaneous Special Revenue Fund* – This fund accounts for proceeds from various funding sources, which may be restricted by a donor or designated by the School District for specific purposes. The transactions of the Extraclassroom Activity Funds are included in this fund.

The School District reports the following fiduciary funds:

- *Fiduciary Fund* - This fund is used to account for fiduciary activities. Fiduciary activities are those in which the School District acts as trustee or agent for resources that belong to others. These activities are not included in the School District-wide financial statements, because their resources do not belong to the School District and are not available to be used. There are two types of fiduciary funds:

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

Custodial funds: These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the School District as agent for various groups.

Use of Estimates

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

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting

The School District-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions in which the School 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 governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The School District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences, other postemployment benefits and long-term pension obligation, 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 leases are reported as other financing sources.

Cash

The School District's cash and cash equivalents consist of cash on hand and demand deposits. New York State law governs the School 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.

Restricted Cash

Restricted cash represents cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes.

Property Taxes

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

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

Accounts Receivable

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

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory

Inventories of food in the school lunch fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value 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.

Interfund Transactions

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

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

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

Capital Assets

Capital assets are reported at actual cost when such data was available. For assets in which there was no data available, estimated historical costs, based on appraisals conducted by independent third-party professionals, were used. Donated assets are reported at estimated fair market value at the time received.

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and improvements	\$ 5,000	SL	15-50 years
Furniture and equipment	\$ 5,000	SL	5-25 years
Infrastructure	\$ 5,000	SL	65 years

Capital assets also include lease assets with a term greater than one year. The School District does not implement a capitalization threshold for lease assets. Lease assets are amortized on a straight-line basis over the term of the lease.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets and liabilities, the balance sheet and statement of net position will sometimes report a separate section for deferred outflows/inflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Vested Employee Benefits

School 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.

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts.

Upon retirement, resignation, or death, employees may receive a payment based on unused accumulated sick leave, based on contractual provisions.

Consistent with generally accepted accounting principles, an accrual for accumulated sick leave is included in the compensated absences liability at year-end. The compensated absences liability is calculated based on the pay rates in effect at year-end.

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

Other Post-Employment Benefits

In addition to providing the pension benefits described, the School District provides post-employment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contracts negotiated between the School District and its employee groups. Substantially all of these employees may become eligible for these benefits if they reach normal retirement age while working for the School District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The School District pays a variable percentage of the cost of premiums to an insurance company that provides health care insurance. At the fund level the School District recognizes the cost of providing health care insurance by recording its share of insurance premiums as an expenditure or operating transfer to other funds in the general fund in the year paid.

Encumbrances

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

All encumbrances are classified as either restricted or assigned fund balance in the General Fund, or as restricted fund balance in the other governmental funds.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unearned Revenue

Unearned revenue is reported when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the School District before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the School District has legal claim to the resources, the liability for unearned revenue is removed and revenue is recorded.

Statute provides the authority for the School District to levy taxes to be used to finance expenditures within the first 120 days of the succeeding fiscal year. Consequently, such amounts are recognized as revenue in the subsequent fiscal year, rather than when measurable and available.

Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the School 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.

Equity Classifications

School District-Wide Statements

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

Net Investment in capital assets – consists of net capital assets (cost less accumulated depreciation) plus unspent bond proceeds reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

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

Unrestricted net position – reports all other net position that do not meet the definition of the above two classifications and are deemed to be available for general use by the School District.

Fund Balance – Reservations and Designations

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

Non-spendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the school lunch fund.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance – Reservations and Designations (Continued)

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

Capital

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

Repair

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

Workers' Compensation

Workers' compensation reserve (GML §6-j) is 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. The reserve is accounted for in the general fund under restricted fund balance.

Unemployment Insurance

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

Debt Service

Mandatory reserve for debt service (GML §6-l) is used to establish a reserve for the purpose of retiring the outstanding obligations upon the sale of School District property or capital improvement that was financed by obligations which remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of School District property or capital improvement. The reserve is accounted for in the general fund under restricted fund balance.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance – Reservations and Designations (Continued)

Insurance

Insurance reserve is 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 appropriations, 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. The reserve is accounted for in the general fund under restricted fund balance.

Liability Claims and Property Loss

Property loss reserve and liability reserve (Education Law §1709(8)(c)) are used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and these reserves may not in total exceed 3% of the annual budget or \$15,000, whichever is greater. This type of reserve fund may be utilized only by School Districts, except city School Districts with a population greater than 125,000. These reserves are accounted for in the general fund under restricted fund balance.

Tax Certiorari

Tax certiorari reserve (Education Law §3651.1-a) is used to establish a reserve fund for tax certiorari 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 proceedings 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. The reserve is accounted for in the general fund under restricted fund balance.

Employee Benefit Accrued Liability

Reserve for employee benefit accrued liability (GML §6-p) is used to reserve funds for the payment of accrued employee benefit 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. The reserve is accounted for in the general fund under restricted fund balance.

Retirement Contribution

Retirement contribution reserve (GML §6-r) is used for the purpose of financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of operation and condition of the fund must be provided to the board. This reserve is accounted for in the general fund under restricted fund balance.

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, since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance – Reservations and Designations (Continued)

Restricted fund balance includes the following:

Workers Compensation	\$ 81,186
Employee Benefits	552,913
Retirement	1,635,973
Unemployment	238,426
Debt service	290,029
Other	134,070
Capital	<u>4,125,675</u>
Total restricted net position	<u>\$ 7,058,272</u>

Committed fund balance – Includes amounts that can 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 School District has no committed fund balances as of June 30, 2023.

Assigned fund balance – Includes amounts that are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the general fund are classified as assigned fund balance in the general fund. Encumbrances reported in the general fund amounted to \$1,808,481. As of June 30, 2023, the School District's encumbrances were classified as follows:

Assigned fund balance:

General support	\$ 1,515,721
Instruction	286,739
Employee Benefits	5,775
Pupil Transportation	<u>246</u>
Total encumbrances	<u>\$ 1,808,481</u>

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.

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

Order of Fund Balance Spending Policy

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

3. **EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND SCHOOL DISTRICT WIDE STATEMENTS**

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

Total Fund Balance of Governmental Funds vs. Net Position of Governmental Activities

Total fund balance of the School District's governmental funds differ from net position of governmental activities reported in the statement of net position. This difference primarily results from the additional long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental fund balance sheets.

Statement of Revenue, Expenditures, and Changes in Fund Balance vs. Statement of Activities

Differences between the governmental funds statement of revenue, expenditures, and changes in fund balance and the statement of activities fall into one of three broad categories.

- **Long-Term Revenue and Expense Differences**

Long-term revenue differences arise because governmental funds report revenue only when it is considered available, whereas the statement of activities reports revenue when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the statement of activities.

- **Capital Related Differences**

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

- **Long-Term Debt Transaction Differences**

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net position.

- **Pension Differences**

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

- **OPEB Differences**

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

4. CASH

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

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

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash and cash equivalents, including trust funds	\$ 13,713,490	\$ 13,028,810
Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name	\$ 13,217,461	
Covered by FDIC insurance	<u>750,000</u>	
Total	<u>\$ 13,967,461</u>	

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes.

Restricted cash consists of the following:

General fund:

Cash on deposit for reserves	
Workers compensation	\$ 81,186
Employee benefit liability	552,913
Retirement contributions	1,635,973
Unemployment	238,426
Capital	<u>1,403,024</u>

Total general fund restricted cash \$ 3,911,522

Capital project fund:

Cash on deposit for capital projects \$ 107,474

Non-major funds:

Cash on deposit for extraclassroom activity funds \$ 134,070

Fiduciary funds:

Cash on deposit for private purpose trust funds \$ 7,365

5. PARTICIPATION IN BOCES

During the year, the School District was billed \$2,800,995 for BOCES administrative and program costs.

The School District's share of BOCES aid amounted to \$950,274.

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

6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2023, were as follows:

	July 1, 2022 <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	June 30, 2023 <u>Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 156,622	\$ -	\$ -	\$ 156,622
Construction in progress	<u>60,381</u>	<u>182,298</u>	<u>46,957</u>	<u>195,722</u>
Total non-depreciable cost	<u>217,003</u>	<u>182,298</u>	<u>46,957</u>	<u>352,344</u>
Capital assets that are depreciated:				
Buildings and improvements	54,321,702	455,325	-	54,777,027
Furniture and equipment	2,511,780	131,017	20,908	2,621,889
Vehicles	<u>4,636,863</u>	<u>1,193,704</u>	<u>683,441</u>	<u>5,147,126</u>
Total depreciable historical cost	<u>61,470,345</u>	<u>1,780,046</u>	<u>704,349</u>	<u>62,546,042</u>
Less accumulated depreciation:				
Buildings and land improvements	23,657,351	1,032,730	-	24,690,081
Furniture and equipment	1,563,459	127,933	20,908	1,670,484
Vehicles	<u>3,659,626</u>	<u>299,863</u>	<u>683,441</u>	<u>3,276,048</u>
Total accumulated depreciation	<u>28,880,436</u>	<u>1,460,526</u>	<u>704,349</u>	<u>29,636,613</u>
Total depreciable cost, net	<u>32,589,909</u>	<u>319,520</u>	<u>-</u>	<u>32,909,429</u>
Total capital assets, net	<u>32,806,912</u>	<u>501,818</u>	<u>46,957</u>	<u>33,261,773</u>
Lease Assets, being amortized:				
Equipment	433,203	608,269	31,798	1,009,674
Computers	<u>349,047</u>	<u>-</u>	<u>100,803</u>	<u>248,244</u>
Total lease assets, being amortized	<u>782,250</u>	<u>608,269</u>	<u>132,601</u>	<u>1,257,918</u>
Less accumulated amortization for:				
Equipment	140,033	255,958	62,000	333,991
Computers	<u>138,147</u>	<u>116,583</u>	<u>104,530</u>	<u>150,200</u>
Total accumulated amortization	<u>278,180</u>	<u>372,541</u>	<u>166,530</u>	<u>484,191</u>
Total lease assets, being amortized, net	<u>504,070</u>	<u>235,728</u>	<u>(33,929)</u>	<u>773,727</u>
Total governmental activities capital assets	<u>\$ 33,310,982</u>	<u>\$ 737,546</u>	<u>\$ 13,028</u>	<u>\$ 34,035,500</u>

Depreciation and amortization for the year ended June 30, 2023, was allocated to specific functions as follows:

	<u>Depreciation</u>	<u>Amortization</u>
General support	\$ 146,053	\$ -
Instruction	1,197,630	372,541
Transportation	87,632	-
Cost of sales	<u>29,211</u>	<u>-</u>
Total	<u>\$ 1,460,526</u>	<u>\$ 372,541</u>

7. SHORT-TERM DEBT

The School District may issue revenue anticipation notes (RAN) or tax anticipation notes (TAN), in anticipation of the receipt of revenue. These notes are recorded as a liability in the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund.

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

The School District may issue bond anticipation notes (BAN) in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities in the fund that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

The School District had no short-term debt activity during the current year.

8. LONG-TERM DEBT

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

Interest paid	\$ 409,345
Less: Interest accrued in prior year	(28,600)
Plus: Interest accrued in current year	18,475
Less: Bond amortization in current year	<u>(98,023)</u>
 Total interest expense	 <u>\$ 301,197</u>

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

	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year
Bonds:					
Serial bonds payable	\$ 14,030,000	\$ 1,193,760	\$ 1,828,760	\$ 13,395,000	\$ 1,560,000
Unamortized serial bond premium	<u>196,044</u>	-	<u>98,023</u>	<u>98,021</u>	-
	<u>14,226,044</u>	<u>1,193,760</u>	<u>1,926,783</u>	<u>13,493,021</u>	<u>1,560,000</u>
Other liabilities:					
Compensated absences*	<u>187,705</u>	<u>22,495</u>	-	<u>210,200</u>	-
Total long-term liabilities	<u>\$ 14,413,749</u>	<u>\$ 1,216,255</u>	<u>\$ 1,926,783</u>	<u>\$ 13,703,221</u>	<u>\$ 1,560,000</u>

* Shown as net as it is impractical to show gross amounts.

8. LONG-TERM DEBT (Continued)

Issue dates, maturities, and interest rates on outstanding debt are as follows:

<u>Bond Issue</u>	<u>Issued</u>	<u>Maturity</u>	<u>Interest Rate</u>	June 30, 2023 <u>Balance</u>
Serial Bond	2009	2028	0.95%	\$ 430,000
Serial Bond	2013	2031	2.13%	460,000
Serial Bond	2016	2036	2.00%	4,770,000
Serial Bond	2019	2035	3.00%	6,530,000
Serial Bond	2019	2024	2.00%	225,000
Serial Bond	2022	2027	3.00%	<u>980,000</u>
Total				<u>\$ 13,395,000</u>

The following is a summary of the maturities of bonds payable:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,560,000	\$ 372,346	\$ 1,932,346
2025	1,375,000	332,085	1,707,085
2026	1,430,000	295,335	1,725,335
2027	1,445,000	254,348	1,699,348
2028	1,185,000	212,773	1,397,773
2029-2033	5,045,000	595,986	5,640,986
2034-2037	<u>1,355,000</u>	<u>60,750</u>	<u>1,415,750</u>
Totals	<u>\$ 13,395,000</u>	<u>\$ 2,123,622</u>	<u>\$ 15,518,622</u>

9. LEASES

The School District leases various equipment primarily from Questar III BOCES. The leases do not contain renewal options. The leases have various inception dates and remaining terms of 24-60 months. Lease agreements are summarized as follows:

<u>Description</u>	<u>Interest Rate/ Discount Rate</u>	<u>Total Lease Liability</u>
Equipment	2.31% - 4.47%	\$ 121,095
Computers	2.57% - 4.48%	<u>162,831</u>
Total		<u>\$ 283,926</u>

9. LEASES (Continued)

Activity of lease liabilities for the year ended June 30, 2023 is summarized as follows:

<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
\$ 262,266	\$ 608,269	\$ 586,609	\$ 283,926	\$ 142,837

Annual requirements to amortize long-term obligations and related interest are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 142,837	\$ 10,674	\$ 153,511
2025	86,180	5,903	92,083
2026	54,909	2,457	57,366
	<u>\$ 283,926</u>	<u>\$ 19,034</u>	<u>\$ 302,960</u>

10. INTERFUND BALANCES AND ACTIVITY

	<u>Interfund</u>		<u>Transfers</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>In</u>	<u>Out</u>
General fund	\$ -	\$ 3,159,753	\$ 117,024	\$ 3,066,228
Special aid fund	80,581	290,029	3,020,500	-
School lunch fund	173,966	-	7,587	-
Capital projects fund	2,905,206	-	38,141	17,024
Debt service fund	290,029	-	-	100,000
Total governmental activities	<u>\$ 3,449,782</u>	<u>\$ 3,449,782</u>	<u>\$ 3,183,252</u>	<u>\$ 3,183,252</u>

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the statement of net position.

The School District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

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

11. PENSION PLANS

New York State Employee Retirement System

The School District participates in the New York State and Local Employee's Retirement System (ERS) also referred to as New York State and Local Retirement System (the System). This is a cost-sharing multiple-employer retirement system, providing 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), established to hold all net assets and record changes in plan net position allocated to the System. System benefits are established under the provisions of the New York Retirement and Social Security Law (RSSL). Once an 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 School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The system is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Contributions

The system is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27th, 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 (ERS) who generally contribute 3 percent of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	<u>ERS</u>	
2023	\$	449,024
2022	\$	372,841
2021	\$	528,399

11. PENSION PLANS (Continued)

Chapter 260 of the Laws of 2004 of the State of New York allows local employers to bond or amortize a portion of their retirement bill for up to 10 years in accordance with the following schedule:

- For State fiscal year (SFY) 2004-05, the amount in excess of 7 percent of employees' covered pensionable salaries, with the first payment of those pensions' costs not due until the fiscal year succeeding that fiscal year in which the bonding/amortization was instituted.
- For SFY 2005-06, the amount in excess of 9.5 percent of employees' covered pensionable salaries.
- For SFY 2007-08, the amount in excess of 10.5 percent of the employee's covered pensionable salaries.

This law requires all participating employers to make payments on the current basis, while bonding or amortizing existing unpaid amounts relating to the System's fiscal years ending March 31, 2005 through 2008. The School District had no amortizing unpaid amounts at the end of the fiscal year.

- Chapter 57 of the Laws of 2010 of the State of New York allows local employers to amortize a portion of their retirement bill for 10 years in accordance with the following stipulations:
- For state fiscal year 2010-11, the amount in excess of the graded rate of 9.5 percent of employees' covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the amortization was instituted.
- For subsequent State fiscal years, the graded rate will increase or decrease by up to one percent depending on the gap between the increase or decrease in the System's average rate and the previous graded rate.
- For subsequent State fiscal years in which the System's average rates are lower than the graded rates, the employer will be required to pay the graded rate. Any additional contributions made will first be used to pay off existing amortizations, and then any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.
- This law requires participating employers to make payments on the current basis while amortizing existing unpaid amounts relating to the System's fiscal years when the local employer opts to participate in the program. The School District had no unpaid liability at the end of the fiscal year.
- Chapter 105 of the Laws of 2010 of the State of New York authorizes local governments to make available a retirement benefit incentive program. The costs of the program will be billed and paid over five years beginning February 1, 2012. The School District had no retirement incentive liability at year end.

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

At June 30, 2023, the School District reported \$2,264,507 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2023, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of April 1, 2022. The School District's proportion of the net pension liability was based on a projection of the School Districts' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2023, the School District's proportion was 0.0105601 percent, which was a decrease from its proportion measured at June 30, 2022 of 0.108013 percent.

11. PENSION PLANS (Continued)

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

For the year ended June 30, 2023, the School District recognized pension expense of \$797,460. At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 241,188	\$ 63,596
Changes of assumptions	1,099,790	12,155
Net difference between projected and actual earnings on pension plan investments	-	13,304
Changes in proportion and differences between the District's contributions and proportionate share of contributions	50,065	45,607
Contributions subsequent to the measurement date	153,742	-
	<u>\$ 1,544,785</u>	<u>\$ 134,662</u>

\$153,742 reported as deferred outflows of resources related to pensions resulting from the School District's contributions subsequent to the measurement date of March 31, 2023 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:

Plan's Year Ended March 31:	
2024	\$ 295,675
2025	(124,124)
2026	464,470
2027	620,360
2028	-
Thereafter	-
	<u>\$ 1,256,381</u>

Actuarial Assumptions

The total pension liability at March 31, 2023 was determined by using an actuarial valuation as of April 1, 2022, with update procedures used to roll forward the total pension liability to March 31, 2023. The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.90%
Salary scale	4.4% indexed by service
Projected COLAs	1.5% compounded annually
Decrements	Developed from the Plan's 2020 experience study of the period April 1, 2015 through April 1, 2020
Mortality improvement	Society of Actuaries Scale MP-2021
Investment Rate of Return	5.9% compounded annually, net of investment expenses

11. PENSION PLANS (Continued)

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Type</u>	<u>Target allocations in %</u>	<u>Long-term expected real rate of return in %</u>
Domestic equity	32.0%	4.30%
International equity	15.0%	6.85%
Private equity	10.0%	7.50%
Real estate	9.0%	4.60%
Opportunistic/ARS portfolio	3.0%	5.38%
Credit	4.0%	5.43%
Real assets	3.0%	5.84%
Fixed income	23.0%	1.50%
Cash	1.0%	0.00%
	<u>100.0%</u>	

Discount Rate

The discount rate used to calculate the total pension liability was 5.90%. 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 Plan's 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.

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

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 5.90 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percent lower (4.90%) or 1 percent higher (6.90%) than the current rate:

	1 % Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Proportionate Share of the Net Pension liability (asset)	\$ 5,472,342	\$ 2,264,507	\$ (416,012)

11. PENSION PLANS (Continued)

Pension Plan Fiduciary Net Position

The components of the current-year net pension asset of the plan as of March 31, 2023, were as follows:

	Pension Plan's Fiduciary Net Position
	<u> </u>
Total pension liability	\$ 232,627,259
Net position	<u>211,183,223</u>
Net pension liability (asset)	<u>\$ 21,444,036</u>
Fiduciary net position as a percentage of total pension liability	90.78%

New York State Teacher Retirement System

The School District participates in the New York State Teachers' Retirement System (NYSTRS). This is a cost-sharing, multiple employer public employee retirement system. The system offers 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.

The New York State Teachers' Retirement Board administers NYSTRS. The system provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for the system. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

Contributions

The System is noncontributory for the employees who joined prior to July 27, 1976. For employees who joined the System after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the System more than ten years are no longer required to contribute. For employees who joined after January 1, 2010 and prior to April 1, 2012, contributions of 3.5% are paid throughout their active membership.

For employees who joined after April 1, 2012, required contributions of 3.5% of their salary are paid until April 1, 2013 and they then contribute 3% to 6% of their salary throughout their active membership. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for NYSTRS.

The School District is required to contribute at an actuarially determined rate. The School District contributions made to the systems were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

	<u>TRS</u>
2023	\$ 1,262,657
2022	\$ 1,211,701
2021	\$ 1,098,739

11. PENSION PLANS (Continued)

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

At June 30, 2023, the School District reported \$1,339,281 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of June 30, 2021. The School District's proportion of the net pension liability was based on a projection of the School Districts' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2023 the School District's proportion was 0.069795 percent, which was an increase from its proportion measured June 30, 2022 of 0.067926 percent.

For the year ended June 30, 2023, the School District recognized pension expense (income) of \$1,712,779. At June 30, 2023 the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,403,397	\$ 26,837
Changes of assumptions	2,597,979	539,500
Net difference between projected and actual earnings on pension plan investments	1,730,479	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	51,636	172,995
Contributions subsequent to the measurement date	1,262,657	-
	<u>\$ 7,046,148</u>	<u>\$ 739,332</u>

\$1,262,657 reported as deferred outflows of resources related to pensions resulting from the School District's contributions subsequent to the measurement date of June 30, 2022 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:

Plan's Year Ended June 30:	
2023	\$ 997,328
2024	496,377
2025	(243,282)
2026	3,373,447
2027	410,378
Thereafter	9,911
	<u>\$ 5,044,159</u>

11. PENSION PLANS (Continued)

Actuarial Assumptions

The total pension liability at the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. These actuarial valuations used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.40%
Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.

<u>Service</u>	<u>Rate</u>
5	5.18%
15	3.64%
25	2.50%
35	1.95%

Projected COLAs	1.3% compounded annually
Investment Rate of Return	6.95% compounded annually, net of pension plan investment expense, including inflation.

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2021, applied on a generational basis. Active member mortality rates are based on plan member experience.

The actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020.

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

Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of the measurement date of June 30, 2022 are summarized in the following table:

<u>Asset Type</u>	<u>Target allocations in %</u>	<u>Long-term expected real rate of return in %</u>
Domestic equity	33.0%	6.5%
International equity	16.0%	7.2%
Global equity	4.0%	6.9%
Real estate equity	11.0%	6.2%
Private equity	8.0%	9.9%
Domestic fixed income	16.0%	1.1%
Global bonds	2.0%	0.6%
High-yield bonds	1.0%	3.3%
Private debt	2.0%	5.3%
Real estate debt	6.0%	2.4%
Cash equivalents	1.0%	-0.3%
	<u>100.0%</u>	

11. PENSION PLANS (Continued)

Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2022 was 6.95 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from School Districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the System's 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.

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

The following presents the net pension liability (asset) of the School District calculated using the discount rate of 6.95 percent, as well as what the School District's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

	1 % Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Proportionate Share of the Net Pension liability (asset)	\$ 12,348,802	\$ 1,339,281	\$ (7,919,654)

Pension Plan Fiduciary Net Position

The components of the current-year net pension (asset) of the plan as June 30, 2022, were as follows:

Total pension liability	\$ 133,883,474
Net position	131,964,582
Net pension liability (asset)	<u>\$ 1,918,892</u>
Fiduciary net position as a percentage of total pension liability	98.57%

12. OTHER POST EMPLOYMENT BENEFITS

Plan Description

The School District's defined benefit OPEB plan, provides OPEB for all employees who meet the NYSTRS/NYSERS eligibility requirements. Teachers and Administrators age 55 with 5 years of service who are eligible to retire and collect benefits according to the NYSTRS are eligible for retiree health care benefits for life from the School District. Support staff hired before January 1, 2010 age 55 with 5 years of service are eligible to retire and collect benefits for life from the School District according to NYSERS. Members after January 1, 2010 must be 55 years old with 10 years of service to qualify for NYSERS health care benefits.

The plan is a single-employer defined benefit OPEB plan administered by the School District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the School District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

The School District provides healthcare benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the School District offices and are available upon request.

Employees Covered by Benefit Terms

At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries	
currently receiving benefits	116
Active employees	<u>161</u>
Total participants	<u><u>277</u></u>

Total OPEB Liability

The School District's total OPEB liability of \$44,898,351 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2022.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.4 percent per year
Discount Rate	3.65 percent as of June 30, 2023
Cost Method	Entry Age Normal

The discount rate was based on a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/AA or higher.

12. OTHER POST EMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability

Balance at June 30, 2022	<u>\$ 42,417,906</u>
Changes for the Year	
Service cost	1,428,000
Interest	1,536,679
Changes of benefit terms	3,004,470
Effect of demographic gains or losses	(6,506,824)
Effect of assumption changes or inputs	3,899,595
Benefit payments	<u>(881,475)</u>
Net changes	<u>2,480,445</u>
Balance at June 30, 2023	<u>\$ 44,898,351</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% in 2022 to 3.65% in 2023.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease <u>(2.65%)</u>	Current Discount <u>(3.65%)</u>	1% Increase <u>(4.65%)</u>
Total OPEB Liability	<u>\$ 53,377,943</u>	<u>\$ 44,898,351</u>	<u>\$ 38,159,457</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	Healthcare		
	1% Decrease	Current Discount	1% Increase
Total OPEB Liability	<u>\$ 37,001,881</u>	<u>\$ 44,898,351</u>	<u>\$ 55,212,323</u>

12. OTHER POST EMPLOYMENT BENEFITS (Continued)

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

For the year ended June 30, 2023, the School District recognized OPEB expense of \$3,385,644. At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 2,808,382	\$ (7,443,464)
Changes of assumptions	<u>6,968,904</u>	<u>(14,155,183)</u>
Total	<u>\$ 9,777,286</u>	<u>\$(21,598,647)</u>

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

<u>Fiscal Year Ending June</u>	<u>Amount</u>
2024	\$ (2,583,505)
2025	(2,583,505)
2026	(2,583,505)
2027	(1,535,951)
2028	(1,262,944)
Thereafter	<u>(1,271,951)</u>
	<u>\$ (11,821,361)</u>

13. RISK MANAGEMENT

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

14. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

The School District administrations prepare a proposed budget for approval by the Board of Education for the General Fund. The voters of the School District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line item level.

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

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

Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the School 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.

Portions of fund balances are reserved and not available for current expenses or expenditures, as reported in the governmental funds balance sheet.

15. TAX ABATEMENTS

All real property in New York State is subject to taxation unless specific legal provision grant it exempt status. Real property exemptions are granted on the basis of many different criteria, including the use to which the property is put, the owner's ability to pay taxes, the desire of the state and local governments to encourage certain economic or social activities, and other considerations. Most exemptions are granted under Article 4 of the Real Property Tax Law, but others are authorized by a wide variety of statutes ranging from Article 18-A of the Real Property Tax Law, the Agriculture and Markets Law and the Transportation Law. Certain exemptions provide full relief from taxation (wholly exempt property) and others reduce the taxes which would otherwise be payable by varying degrees (partially exempt property). Some exemptions apply to taxes levied for county, city/town, and school purposes, whereas others pertain only to certain of these purposes. Some tax exemptions are mandated by State law, others are subject to local option and/or local determination of eligibility criteria.

<u>Agreement With</u>	<u>Owner/ Property</u>	<u>Purpose</u>	<u>Assessment</u>	<u>Tax Rate</u>	<u>Tax Value</u>	<u>PILOT Received</u>	<u>Percent of Tax Abated</u>
Rt. 32 Westerlo Solar 1, LLC	176.-1-14.2	Borrego Solar Systems	\$ 400	2339.8239	\$ 936	\$ 29,261	-3026.20%
Rt 405 Westerlo Solar 2 LLC	176.-1-14.3	Borrego Solar Systems	400	2339.8239	936	29,261	-3026.20%
Westerlo NY 1, LLC	176.-1-46.1	Clean Energy Collective	1,720	2339.8239	4,024	11,558	-187.23%
MedusaNY1 LLC	161.-2-23	Clean Energy Collective	25,000	35.0672	877	10,787	-1129.93%
Freehold Solar, LLC	51.00-1-5	Cypress Creek Renewables	50,000	28.975	1,449	10,440	-620.52%
Generate Capital/Costanza Solar , LLC	162.00-2-4	Cypress Creek Renewables	1,800	2339.8239	4,212	11,890	-182.29%
Total					<u>\$ 12,434</u>	<u>\$ 103,198</u>	

16. CONTINGENCIES AND COMMITMENTS

General Information

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

The School District has various commitments with contractors for the completion of capital projects.

Litigation

The School District has claims that are currently being litigated with the support of legal counsel. The results of this litigation are unknown at this time.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

GREENVILLE CENTRAL SCHOOL DISTRICT

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2023**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Encumbrances	Final Budget Variance with Budgetary Actual
REVENUE					
LOCAL SOURCES:					
Real property taxes	\$ 17,749,556	\$ 17,749,556	\$ 16,397,436	\$ -	\$ (1,352,120)
Other tax items	139,198	139,198	1,499,453	-	1,360,255
Charges for services	337,700	337,700	704,855	-	367,155
Use of money and property	15,000	15,000	211,428	-	196,428
Sale of property and compensation for loss	-	-	1,700	-	1,700
Miscellaneous	<u>517,394</u>	<u>517,394</u>	<u>576,706</u>	<u>-</u>	<u>59,312</u>
Total local sources	18,758,848	18,758,848	19,391,578	-	632,730
State sources	13,967,461	13,967,461	13,938,567	-	(28,894)
Medicaid reimbursement	<u>-</u>	<u>-</u>	<u>29,865</u>	<u>-</u>	<u>29,865</u>
Total revenue	<u>\$ 32,726,309</u>	<u>\$ 32,726,309</u>	<u>\$ 33,360,010</u>	<u>\$ -</u>	<u>\$ 633,701</u>
OTHER FINANCING SOURCES					
Proceeds from the issuance of leases	-	-	608,269	-	608,269
Operating transfers in	<u>100,000</u>	<u>100,000</u>	<u>117,024</u>	<u>-</u>	<u>17,024</u>
Total other financing sources	<u>100,000</u>	<u>100,000</u>	<u>725,293</u>	<u>-</u>	<u>625,293</u>
Total revenue and other financing sources	<u>\$ 32,826,309</u>	<u>\$ 32,826,309</u>	<u>\$ 34,085,303</u>	<u>\$ -</u>	<u>\$ 1,258,994</u>

(Continued)

GREENVILLE CENTRAL SCHOOL DISTRICT

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED) (Continued)
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Encumbrances</u>	<u>Final Budget Variance with Budgetary Actual</u>
EXPENDITURES					
GENERAL SUPPORT:					
Board of education	\$ 33,364	\$ 36,711	\$ 35,123	\$ -	\$ 1,588
Central administration	232,836	236,314	235,993	93	228
Finance	363,471	361,221	341,793	16,671	2,757
Staff	322,337	573,629	427,595	129,050	16,984
Central services	2,131,666	4,938,098	3,139,881	1,369,907	428,310
Special items	<u>488,089</u>	<u>545,666</u>	<u>537,082</u>	<u>-</u>	<u>8,584</u>
Total general support	3,571,763	6,691,639	4,717,467	1,515,721	458,451
INSTRUCTION:					
Instruction, administration, and improvement	1,026,062	1,083,614	1,040,108	35,529	7,977
Teaching - Regular school	8,079,185	7,890,630	7,729,244	35,664	125,722
Programs for children with handicapping conditions	4,456,191	4,027,125	3,877,487	1,418	148,220
Occupational education	785,012	785,341	782,182	-	3,159
Teaching - Special school	177,122	192,834	168,997	-	23,837
Instructional media	889,704	1,253,789	1,010,622	203,308	39,859
Pupil services	<u>1,758,952</u>	<u>1,801,309</u>	<u>1,732,605</u>	<u>10,820</u>	<u>57,884</u>
Total instruction	17,172,228	17,034,642	16,341,245	286,739	406,658
Pupil transportation	1,962,988	1,997,468	1,917,159	246	80,063
Employee benefits	8,271,273	7,456,095	6,635,754	5,775	814,566
Debt service - Principal	1,829,000	1,829,000	2,415,369	-	(586,369)
Debt service - Interest	<u>405,190</u>	<u>400,741</u>	<u>409,345</u>	<u>-</u>	<u>(8,604)</u>
Total expenditures	33,212,442	35,409,585	32,436,339	1,808,481	1,164,765
OTHER FINANCING USES					
Operating transfers out	<u>485,000</u>	<u>3,073,087</u>	<u>3,066,228</u>	<u>-</u>	<u>6,859</u>
Total expenditures and other uses	<u>33,697,442</u>	<u>38,482,672</u>	<u>35,502,567</u>	<u>1,808,481</u>	<u>1,171,624</u>
NET CHANGE IN FUND BALANCE	(871,133)	(5,656,363)	(1,417,264)	(1,808,481)	2,430,618
FUND BALANCE - beginning of year	<u>9,355,257</u>	<u>9,355,257</u>	<u>9,355,257</u>	<u>-</u>	<u>-</u>
FUND BALANCE - end of year	<u>\$ 8,484,124</u>	<u>\$ 3,698,894</u>	<u>\$ 7,937,993</u>	<u>\$ (1,808,481)</u>	<u>\$ 2,430,618</u>

GREENVILLE CENTRAL SCHOOL DISTRICT

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2023**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.0105601%	0.1080130%	0.1104770%	0.0115033%	0.0115538%	0.0113528%	0.0106683%	0.0107352%	0.0103956%	
Proportionate share of the net pension liability (asset)	\$ 2,264.5	\$ (883.0)	\$ 11.0	\$ 3,046.1	\$ 818.6	\$ 366.4	\$ 1,002.4	\$ 1,723.0	\$ 351.2	
Covered-employee payroll	\$ 3,616.8	\$ 3,408.5	\$ 3,428.4	\$ 3,305.8	\$ 3,261.1	\$ 3,272.9	\$ 2,941.1	\$ 2,866.6	\$ 2,638.3	
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	62.61%	-25.91%	0.32%	92.14%	25.10%	11.19%	34.08%	60.11%	13.31%	
Plan fiduciary net position as a percentage of the total pension liability (asset)	90.78%	103.65%	99.95%	86.39%	96.27%	94.70%	94.70%	90.68%	97.95%	

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.0697950%	0.0679260%	0.0658970%	0.0652730%	0.0658520%	0.0658520%	0.0680640%	0.0700920%	0.0706810%	
Proportionate share of the net pension liability (asset)	\$ 1,339.3	\$ (11,771.0)	\$ 1,820.9	\$ (1,695.8)	\$ (1,192.0)	\$ (500.5)	\$ 729.0	\$ (7,280.3)	\$ (7,873.4)	
Covered-employee payroll	\$ 12,270.7	\$ 12,364.3	\$ 11,529.3	\$ 11,184.8	\$ 10,895.1	\$ 10,737.7	\$ 10,435.4	\$ 10,502.9	\$ 10,528.7	
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	10.91%	-95.20%	15.79%	-15.16%	-10.94%	-4.66%	6.99%	-69.32%	-74.78%	
Plan fiduciary net position as a percentage of the total pension liability (asset)	98.57%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%	

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

GREENVILLE CENTRAL SCHOOL DISTRICT

**SCHEDULE OF CONTRIBUTIONS - PENSION PLANS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2023**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 449.0	\$ 372.8	\$ 528.4	\$ 468.5	\$ 468.3	\$ 486.3	\$ 447.8	\$ 557.8	\$ 492.9	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.
Contributions in relation to the contractually required contribution	449.0	372.8	528.4	468.5	468.3	486.3	447.8	557.8	492.9	
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	
Covered-employee payroll	\$ 3,617	\$ 3,409	\$ 3,428	\$ 3,306	\$ 3,261	\$ 3,273	\$ 2,941	\$ 2,867	\$ 2,638	
Contributions as a percentage of covered-employee payroll	12.42%	10.94%	15.41%	14.17%	14.36%	14.86%	15.23%	19.46%	18.68%	

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,262.7	\$ 1,211.7	\$ 1,098.7	\$ 991.0	\$ 1,157.1	\$ 1,052.3	\$ 1,223.0	\$ 1,392.7	\$ 1,845.7	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.
Contributions in relation to the contractually required contribution	1,262.7	1,211.7	1,098.7	991.0	1,157.1	1,052.3	1,223.0	1,392.7	1,845.7	
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	
Covered-employee payroll	\$ 12,271	\$ 12,364	\$ 11,529	\$ 11,185	\$ 10,895	\$ 10,738	\$ 10,435	10,503	10,529	
Contributions as a percentage of covered-employee payroll	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%	

GREENVILLE CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2023

	Last 10 Fiscal Years									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total OPEB Liability										
Service cost	\$ 1,428,000	\$ 2,351,198	\$ 2,375,449	\$ 1,604,639	\$ 2,314,395	\$ 2,381,279				
Interest	1,536,679	1,146,151	1,013,529	1,259,323	1,562,400	1,477,387				
Changes of benefit terms	3,004,470	-	-	-	-	-				
Effect of demographic gains or losses	(6,506,824)	-	4,460,371	-	-	-				
Changes in assumptions	3,899,595	(11,323,062)	281,361	7,072,753	(18,523,587)	(339,111)				
Benefit payments	(881,475)	(930,451)	(879,695)	(772,707)	(714,276)	(524,937)				
Total change in total OPEB liability	2,480,445	(8,756,164)	7,251,015	9,164,008	(15,361,068)	2,994,618				
Total OPEB liability - beginning	42,417,906	51,174,070	43,923,055	34,759,047	50,120,115	47,125,497				
Total OPEB liability - ending	\$ 44,898,351	\$ 42,417,906	\$ 51,174,070	\$ 43,923,055	\$ 34,759,047	\$ 50,120,115				
Covered-employee payroll	\$ 11,029,351	\$ 11,208,121	\$ 11,208,121	\$ 11,593,447	\$ 11,593,447	\$ 12,253,060				
Total OPEB liability as a percentage of covered-employee payroll	407.08%	378.46%	456.58%	378.86%	299.82%	409.04%				

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

Notes to schedule:

Changes of assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following reflects the discount rate used each period:

Discount rate	2023	2022	2021	2020	2019	2018
	3.65%	3.54%	2.16%	2.21%	3.50%	3.00%

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

Plan Assets. No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

SUPPLEMENTARY INFORMATION

GREENVILLE CENTRAL SCHOOL DISTRICT

**SCHEDULE OF COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Special Aid	School Lunch	Debt Service	Miscellaneous Special Revenue	Total Non-Major Governmental Funds
ASSETS					
Cash - Unrestricted	\$ 59	\$ 44,749	\$ -	\$ -	\$ 44,808
Cash - Restricted	-	-	-	134,070	134,070
Accounts receivable	-	322	-	-	322
Due from other funds	80,581	173,966	290,029	-	544,576
State and federal aid receivable	330,933	2,051	-	-	332,984
Inventory	-	17,347	-	-	17,347
TOTAL ASSETS	<u>\$ 411,573</u>	<u>\$ 238,435</u>	<u>\$ 290,029</u>	<u>\$ 134,070</u>	<u>\$ 1,074,107</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 14,870	\$ 167	\$ -	\$ -	\$ 15,037
Due to other funds	-	-	-	-	-
Due to other governments	-	1,164	-	-	1,164
Unearned revenue	396,703	10,122	-	-	406,825
TOTAL LIABILITIES	<u>411,573</u>	<u>11,453</u>	<u>-</u>	<u>-</u>	<u>423,026</u>
FUND BALANCE					
Nonspendable					
Inventory	-	17,347	-	-	17,347
Restricted					
Extraclassroom	-	-	-	134,070	134,070
Debt service	-	-	290,029	-	290,029
Total restricted fund balance	<u>-</u>	<u>-</u>	<u>290,029</u>	<u>134,070</u>	<u>424,099</u>
Assigned					
Other	-	209,635	-	-	209,635
Total assigned fund balance	<u>-</u>	<u>209,635</u>	<u>-</u>	<u>-</u>	<u>209,635</u>
TOTAL FUND BALANCE	<u>-</u>	<u>226,982</u>	<u>290,029</u>	<u>134,070</u>	<u>651,081</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 411,573</u>	<u>\$ 238,435</u>	<u>\$ 290,029</u>	<u>\$ 134,070</u>	<u>\$ 1,074,107</u>

The accompanying notes are an integral part of these statements.

GREENVILLE CENTRAL SCHOOL DISTRICT

**SCHEDULE OF COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	Special <u>Aid</u>	School <u>Lunch</u>	Debt <u>Service</u>	Miscellaneous <u>Special Revenue</u>	Total Non-Major Governmental <u>Funds</u>
REVENUE:					
Use of money and property	\$ -	\$ 43	\$ -	\$ -	\$ 43
Miscellaneous	-	9,998	-	230,501	240,499
State sources	351,431	9,839	-	-	361,270
Federal sources	2,108,110	375,135	-	-	2,483,245
Sales - School lunch	-	243,838	-	-	243,838
	<u>-</u>	<u>243,838</u>	<u>-</u>	<u>-</u>	<u>243,838</u>
Total revenue	<u>2,459,541</u>	<u>638,853</u>	<u>-</u>	<u>230,501</u>	<u>3,328,895</u>
EXPENDITURES:					
General Support	360,655	-	-	-	360,655
Instruction	2,067,587	-	-	-	2,067,587
Pupil transportation	69,440	-	-	-	69,440
Employee benefits	-	96,561	-	-	96,561
Other	-	-	-	233,029	233,029
Cost of sales	-	496,920	-	-	496,920
	<u>-</u>	<u>496,920</u>	<u>-</u>	<u>-</u>	<u>496,920</u>
Total expenditures	<u>2,497,682</u>	<u>593,481</u>	<u>-</u>	<u>233,029</u>	<u>3,324,192</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(38,141)</u>	<u>45,372</u>	<u>-</u>	<u>(2,528)</u>	<u>4,703</u>
OTHER SOURCES AND (USES):					
Premium on issuance of debt	-	-	9,175	-	9,175
Operating transfers in	38,141	7,587	-	-	45,728
Operating transfers out	-	-	(100,000)	-	(100,000)
	<u>-</u>	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>
Total other sources (uses)	<u>38,141</u>	<u>7,587</u>	<u>(90,825)</u>	<u>-</u>	<u>(45,097)</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER (USES)	<u>-</u>	<u>52,959</u>	<u>(90,825)</u>	<u>(2,528)</u>	<u>(40,394)</u>
FUND BALANCE - beginning of year	<u>-</u>	<u>174,023</u>	<u>380,854</u>	<u>136,598</u>	<u>691,475</u>
FUND BALANCE - end of year	<u>\$ -</u>	<u>\$ 226,982</u>	<u>\$ 290,029</u>	<u>\$ 134,070</u>	<u>\$ 651,081</u>

The accompanying notes are an integral part of these statements.

OTHER INFORMATION (UNAUDITED)

GREENVILLE CENTRAL SCHOOL DISTRICT

**SCHEDULE OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2023**

CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET

Adopted budget	\$ 33,697,442
Add: Prior year's encumbrances	<u>2,184,731</u>
Original budget	35,882,173
Budget revisions:	<u>2,600,499</u>
Final budget	<u>\$ 38,482,672</u>

SCHEDULE OF SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION - GENERAL FUND (UNAUDITED)

2023-24 voter-approved expenditure budget	\$ 34,227,771	
Maximum allowed (4% of 2023-24 budget)		\$ 1,369,111
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law *:		
Total fund balance:	<u>\$ 7,937,993</u>	
Less:		
Restricted fund balance	\$ 3,911,522	
Assigned fund balance:		
Appropriated fund balance	871,133	
Encumbrances included in committed and assigned fund balance	<u>1,808,481</u>	
Total adjustments	<u>\$ 6,591,136</u>	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		<u>\$ 1,346,857</u>
Actual percentage		3.93%

*Per Office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions", Updated April 2011 (Originally Issued November 2010), the portion of [General Fund] fund balance subject to Section 1318 of the Real Property Tax Law is: unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

GREENVILLE CENTRAL SCHOOL DISTRICT

**SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2023**

Project Title	Original Budget	Revised Budget	Revenue			Expenditures			Fund Balance June 30, 2023
			Prior Years	Current Year	Total	Prior Years	Current Year	Total	
Elementary Renovations 0001-030	\$ 95,000	\$ 266,800	\$ 285,000	\$ -	\$ 285,000	\$ 263,326	\$ 21,674	\$ 285,000	\$ -
Elementary Renovations 0001-033	11,748,279	-	-	2,194,875	2,194,875	-	97,294	97,294	2,097,581
HS Lg Project 0008-029	638,231	-	-	388,601	388,601	-	178,296	178,296	210,305
Buses	1,193,760	-	-	1,193,760	1,193,760	-	1,193,760	1,193,760	-
Building Condition Survey	50,000	50,000	50,000	-	50,000	13,146	9,496	22,643	27,357
Dust Collector - 0008-028	<u>420,000</u>	<u>-</u>	<u>-</u>	<u>420,000</u>	<u>420,000</u>	<u>19,200</u>	<u>13,393</u>	<u>32,593</u>	<u>387,407</u>
	<u>\$ 14,145,270</u>	<u>\$ 316,800</u>	<u>\$ 335,000</u>	<u>\$ 4,197,236</u>	<u>\$ 4,532,236</u>	<u>\$ 295,672</u>	<u>\$ 1,513,913</u>	<u>\$ 1,809,585</u>	<u>\$ 2,722,651</u>

GREENVILLE CENTRAL SCHOOL DISTRICT

**SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2023 (UNAUDITED)**

Capital assets, net	\$ 34,035,500
Deduct:	
Premium on bonds payable	98,021
Short-term portion of leases payable	142,837
Long-term portion of leases payable	141,089
Short-term portion of bonds payable	1,560,000
Long-term portion of bonds payable	<u>11,835,000</u>
	<u>13,776,947</u>
Net Investment in capital assets	<u>\$ 20,258,553</u>

The accompanying notes are an integral part of these schedules.

REQUIRED REPORT UNDER *GOVERNMENT AUDITING STANDARDS*

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

September 15, 2023

To the Board of Education of
Greenville Central School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Greenville Central School District (School District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated September 15, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

6 Wembley Court
Albany, New York 12205
p (518) 464-4080
f (518) 464-4087

www.bonadio.com

(Continued)

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**GREENVILLE CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the School District's financial statements were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted?

Yes No

Section II—Financial Statement Findings

None.