

**WILLSBORO CENTRAL
SCHOOL DISTRICT
FINANCIAL REPORT
JUNE 30, 2023**

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INDEPENDENT AUDITOR'S REPORT

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

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 Willsboro Central School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Willsboro Central School District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Willsboro Central School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4 through 12), budgetary comparison information (pages 52 & 53), Schedule of Changes in the District's Total OPEB Liability and Related Ratios (page 56) and Schedules of District's Proportionate Share of the Net Pension Liability – ERS and TRS, and Schedules of the District's Contributions – ERS and TRS (pages 57-60) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Willsboro Central School District's basic financial statements. The accompanying Combining Non-Major Fund financial statements, Schedule of Change from Original Budget to Final Budget and the Real Property Tax Limit, Schedule of Project Expenditures, and Net Investment in Capital Assets 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 Non-Major Fund financial statements, Schedule of Change from Original Budget to Final Budget and the Real Property Tax Limit, Schedule of Project Expenditures, and Net Investment in Capital Assets are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2023, on our consideration of Willsboro Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Willsboro Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Willsboro Central School District's internal control over financial reporting and compliance.

Boulrice & Wood CPAs, PC

Boulrice & Wood, CPA's PC
October 10, 2023

The following is Management's Discussion and Analysis (MD&A) of the Willsboro Central School District's financial performance for the fiscal year ended June 30, 2023. The MD&A is a summary of the 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.

This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS FOR 2022-2023

- Net position for the general fund increased \$305,645.
- Net position for the school food service fund decreased \$41,023.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of the MD&A, a series of financial statements, and required supplementary information. The district-wide statements are organized so the reader can understand Willsboro Central School District as a financial whole, an entire operating entity. The statements then proceed to provide an increased focus on individual parts of the District in more detail than the district-wide statements. The fund financial statements concentrate on the District's most significant funds with all other non-major funds listed in total in one column. The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

DISTRICT-WIDE FINANCIAL STATEMENTS

The district-wide financial statements are designed to be similar to corporate statements in that all governmental and business type activities are consolidated. The Statement of Net Position combines governmental fund's current financial resources with capital assets and long-term obligations.

NET POSITION GOVERNMENTAL ACTIVITIES

	June 30, 2023	June 30, 2022
Current and Other Assets	\$ 4,403,181	\$ 6,892,373
Capital Assets	8,607,837	8,820,998
Total Assets	<u>13,011,018</u>	<u>15,713,371</u>
Deferred Outflow of Resources		
Unamortized Defeasance Loss	134,846	167,534
Other Post Employment Benefits	3,507,537	5,338,787
Pensions	1,780,723	1,796,498
Total Assets and Deferred Outflow of Resources	<u>\$ 18,434,124</u>	<u>\$ 23,016,190</u>
Long-Term Liabilities	\$ 34,456,900	\$ 36,044,288
Other Liabilities	319,550	446,616
Total Liabilities	<u>34,776,450</u>	<u>36,490,904</u>
Deferred Inflow of Resources		
Other Post Employment Benefits	2,386,066	1,441,690
Pensions	142,174	3,335,132
Total Deferred Inflow of Resources	<u>2,528,240</u>	<u>4,776,822</u>
Net Assets		
Net Invested in Capital Assets	3,581,160	3,052,335
Restricted	1,311,780	1,307,196
Unrestricted	(23,763,506)	(22,611,067)
Total Net Assets	<u>(18,870,566)</u>	<u>(18,251,536)</u>
Total Liabilities, Deferred Inflow of Resources and Net Assets	<u>\$ 18,434,124</u>	<u>\$ 23,016,190</u>

The Statement of Net Position includes all of the District's assets and liabilities. The largest portion of the District's assets is the investment in capital assets (land, building, equipment), less the outstanding balance of bonds used to acquire, construct, and improve the assets. These assets are used to provide educational services to students; therefore, they are not available for future spending. Although the investment in capital assets is reported net of

related debt, the resources necessary to repay this debt must be provided from the general fund budget. These assets are not to be liquidated to pay any of the debt. Investment in capital assets increased 17.3% from 2021-2022 to 2022-2023. This is primarily from the payment of outstanding debt and depreciation.

An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The restricted net position amount is restricted for capital and various reserves.

- A capital reserve is established to pay the cost of any object or purpose for which bonds may be used.

The unrestricted net position decreased by \$1,152,439 largely due to GASB 75 "Accounting for other Post-Employment Benefits".

Net position is the difference between the District's assets and liabilities, which is one way to measure financial health or position. There are three categories of net position: net investment in capital assets, restricted assets, and unrestricted assets.

CHANGES IN NET POSITION
(STATEMENT OF ACTIVITIES)

	June 30, 2023	June 30, 2022
Revenues:		
Program Revenues:		
Charges for services	\$ 10,755	\$ 9,643
Operating grants	845,664	827,579
Total program revenues	856,419	837,222
General Revenues:		
Property Taxes	5,888,951	5,709,887
State Aid	3,039,754	2,914,334
Federal Aid	42,604	48,982
Use of Money and Property	148,322	6,893
Use of Property and Comp for Loss	9,504	-
Charges for services	47,321	103,307
Miscellaneous	138,580	144,115
Total general revenues	9,315,036	8,927,518
Total Revenues:	10,171,455	9,764,740
Expenses:		
General Government Support	1,324,185	1,141,005
Instruction	4,823,966	4,982,480
Pupil Transportation	394,662	330,878
Employee Benefits	4,038,815	3,252,516
Debt Service – Interest	126,876	138,340
Cost of Sales – food	75,881	64,843
Capital Outlay	6,100	-
Total Expenses:	10,790,485	9,910,062
Increase (Decrease) in Net Position:	\$ (619,030)	\$ (145,322)

The Statement of Activities is similar to an income statement, in that it reports revenues, expenses, and changes in net position. The greatest amount of revenues comes from one source, property taxes, totaling \$5,888,951. The District is susceptible to fluctuations in the New York State budget. Less money means a higher property tax rate and an unknown New York State budget further complicates the District's planning process. The largest expense categories are instruction to students, \$4,823,966 and employee benefits, \$4,038,815. The District has a decrease in net position of \$619,030.

The total increase in expenses was 8.88%. However, the largest percentage increase was to employee benefits, which was 24.18%.

All of the District's programs and services are reported in the district-wide financial statements as governmental activities. Most of the District's services are included here, such as regular and special education, support services, operation and maintenance of school, pupil transportation, extracurricular activities and administration. Property taxes and State formula aid finance most of these activities.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. The governmental fund financial statements are presented on a modified accrual basis; whereas, the governmental activities in the district-wide statements are presented on an accrual basis of accounting.

Governmental Funds. Most of the District's activities are reported in governmental funds, which focus on how cash flows in and out of the funds and the balances left at year end are available for future spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are financial resources that can be spent to finance the District's programs. Any differences between governmental activities (reported in the Statement of Net position and the Statement of Activities) and governmental funds are reconciled in the financial statements.

General Fund. The total fund balance increased 8.2% from 2021-2022 to 2022-2023.

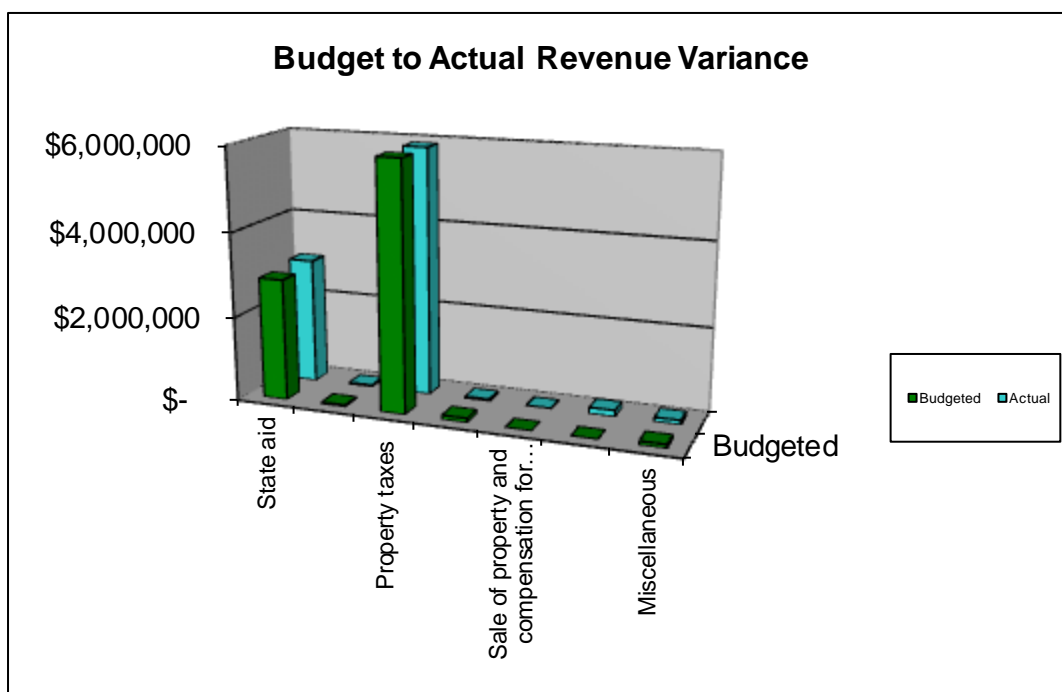
School Food Service Fund. The fund balance is currently \$48,537, \$41,023 below the prior year. This fund experienced an increase of \$1,850 in employee benefits. The cost of food and supplies increased by \$11,038. The District transferred \$92,000 into the Cafeteria Fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's general fund budget is prepared according to New York State law. During the 2022-2023 school year the original budget increased \$59,244. The increase was from prior year encumbrances.

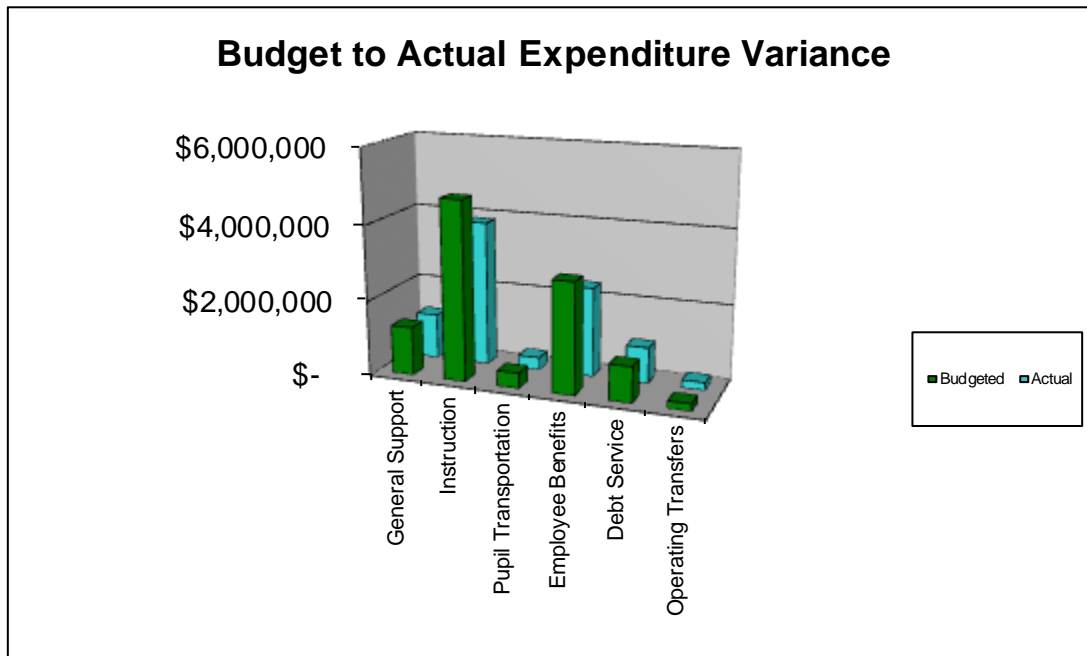
The budget increased from 2021-2022 to 2022-2023, \$10,114,584 to \$10,479,884.

General fund actual revenues fall short of the budget by \$242,114. The largest portion of the short fall came from Charges for Services \$52,679.



	Budgeted	Actual	Variance
State aid	\$ 2,887,300	\$ 2,994,188	\$ 106,888
Federal sources	42,000	42,604	604
Property taxes	5,871,165	5,888,951	17,786
Charges for services	100,000	47,321	(52,679)
Sale of property and	-	9,504	9,504
Use of money and property	2,000	148,268	146,268
Miscellaneous	87,900	101,643	13,743
	<u>\$ 8,990,365</u>	<u>\$ 9,232,479</u>	<u>\$ 242,114</u>

General fund actual expenditures were less than budgeted by \$1,607,026.



	Budgeted	Actual	Variance
General Support	\$ 1,288,093	\$ 1,202,328	\$ (85,765)
Instruction	4,761,856	3,857,432	(904,424)
Pupil Transportation	408,179	333,741	(74,438)
Employee Benefits	2,940,440	2,381,997	(558,443)
Debt Service	948,560	951,498	2,938
Operating Transfers	192,000	205,106	13,106
	<u>\$ 10,539,128</u>	<u>\$ 8,932,102</u>	<u>\$ (1,607,026)</u>

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's capital assets as of June 30, 2023, are as follows:

	2023	2022
Non-Depreciable Assets:		
Land	\$ 236,016	\$ 236,016
Construction work in progress	39,191	-
Depreciable Assets:		
Building and Improvements	7,894,421	8,137,401
Furniture, Machinery, and Equipment	340,970	385,151
Intangible right-to-use assets	97,239	62,430
TOTAL	<u>\$ 8,607,837</u>	<u>\$ 8,820,998</u>

Debt

The District's total outstanding debt, as of June 30, 2023, was \$5,284,201 with \$724,267 due within one year.

OUTSTANDING DEBT

	Beginning	Ending
Serial Bonds	\$ 4,675,000	\$ 4,065,000
Energy Performance Contract	1,300,000	1,210,000
Leases Payable	13,402	47,744
	<u>\$ 5,988,402</u>	<u>\$ 5,322,744</u>

According to Local Finance Law, Section 104.00, a school district may issue debt up to ten percent (10%) of its full valuation of real property subject to taxation. The legal debt limit is \$62,583,597, which is significantly greater than the outstanding debt.

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District faces the following existing circumstances that could significantly affect its financial health in the future:

- The State's financial health and their unidentified treatment of fully funded/hold harmless school districts may impact the district in the future. Additionally, state aid uncertainty, the increase of the cost of living, the increased cost of doing business due to supply/demand & supply chain shortages, and the increased cost of labor due to employment shortages are other factors in consideration.
- Recent District trend of decreasing enrollment.

- Escalating cost of health insurance premiums.
- Continued increasing cost of post-retirement benefits due to contractual bargaining obligations.
- Anticipated decline in the local economic development within our district.
- Potential increases of high-cost, high-need special education students.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Manager, Willsboro Central School District, 29 School Lane, Willsboro, New York 12996.

WILLSBORO CENTRAL SCHOOL DISTRICT

EXHIBIT 1

STATEMENT OF NET POSITION
JUNE 30, 2023**ASSETS**

Cash:

Unrestricted	\$ 2,347,392
Restricted	1,336,405

Receivables:

State and federal aid	552,106
Due from other governments	153,060

Inventories

8,287

Deposit, electric reserve

5,931

Capital assets, net of accumulated depreciation and amortization

8,607,837

Total Assets**13,011,018****DEFERRED OUTFLOWS OF RESOURCES**

Unamortized defeasance loss

134,846

Other post employment benefits

3,507,537

Pensions

1,780,723

Total Deferred Outflows of Resources**5,423,106****Total Assets and Deferred Outflows of Resources****\$ 18,434,124****LIABILITIES**

Payables:

Accounts payable	\$ 26,704
Due to other governments	126
Due to teacher's retirement system	269,926
Due to employee's retirement system	22,794

Long-term liabilities

Due and payable within one year:

Bonds payable and long-term debt, current	720,000
Leases payable current	12,208

Due and payable after one year

Bonds payable and long-term debt, non-current	4,838,779
Leases payable non-current	35,536

Compensated absences payable

176,808

Other post employment benefits

28,004,742

Net pension liability- proportionate share

668,827

Total Liabilities**34,776,450****DEFERRED INFLOWS OF RESOURCES**

Other post employment benefits

2,386,066

Pensions

142,174

Total Deferred Inflows of Resources**2,528,240****NET POSITION**

Net investment in capital assets

3,581,160

Restricted

1,311,780

Unrestricted

(23,763,506)

Total Net Position**(18,870,566)****Total Liabilities, Deferred Inflows and Net Position****\$ 18,434,124**

See Notes to the Financial Statements

WILLSBORO CENTRAL SCHOOL DISTRICT

EXHIBIT 2

STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

FUNCTIONS/ PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS	
General support	\$ (1,324,185)	\$ -	\$ -	\$ (1,324,185)
Instruction	(4,823,966)	-	666,468	(4,157,498)
Pupil transportation	(394,662)	-	-	(394,662)
Employee benefits	(4,038,815)	-	-	(4,038,815)
Debt service	(126,876)	-	-	(126,876)
School lunch program	(75,881)	10,755	179,196	114,070
Capital outlay	(6,100)	-	-	(6,100)
Total Functions and Programs	<u>\$ (10,790,485)</u>	<u>\$ 10,755</u>	<u>\$ 845,664</u>	<u>(9,934,066)</u>
GENERAL REVENUES				
Real property taxes				5,888,951
Charges for Services				47,321
Use of money and property				148,322
Sale of property and compensation for loss				9,504
Miscellaneous				138,580
State sources				3,039,754
Federal sources				42,604
Total General Revenues				<u>9,315,036</u>
Change in Net Position				(619,030)
Total Net Position - Beginning of Year				<u>(18,251,536)</u>
Total Net Position - End of Year				<u>\$ (18,870,566)</u>

See Notes to the Financial Statements

WILLSBORO CENTRAL SCHOOL DISTRICT

EXHIBIT 3

BALANCE SHEET-GOVERNMENTAL FUNDS

June 30, 2023

	GENERAL	SPECIAL AID	SCHOOL FOOD SERVICE	DEBT SERVICE	CAPITAL PROJECTS	NON-MAJOR	TOTAL
ASSETS							
Unrestricted cash	\$ 2,347,392	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,347,392
Restricted cash	1,205,699	4,304	29,428	-	31,143	65,831	1,336,405
Due from other funds	558,846	36,100	-	-	-	-	594,946
State and federal aid receivable	100,373	440,785	10,948	-	-	-	552,106
Due from other governments	153,060	-	-	-	-	-	153,060
Inventories	-	-	8,287	-	-	-	8,287
Deposit, electric reserve	5,931	-	-	-	-	-	5,931
Total Assets	\$ 4,371,301	\$ 481,189	\$ 48,663	\$ -	\$ 31,143	\$ 65,831	\$ 4,998,127
LIABILITIES							
Accounts payable	\$ 23,634	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,634
Due to other governments	-	-	126	-	-	-	126
Due to other funds	37,322	481,189	-	-	76,435	-	594,946
Due to teachers' retirement system	269,926	-	-	-	-	-	269,926
Due to employees' retirement system	22,794	-	-	-	-	-	22,794
Total Liabilities	353,676	481,189	126	-	76,435	-	911,426
FUND BALANCES							
Nonspendable:							
Inventory	-	-	8,287	-	-	-	8,287
Restricted							
Capital reserve	500,357	-	-	-	-	-	500,357
Tax certiorari	19,612	-	-	-	-	-	19,612
Unemployment Insurance	15,668	-	-	-	-	-	15,668
Employee benefits accrued liability	457,016	-	-	-	-	-	457,016
Retirement reserve - ERS	82,613	-	-	-	-	-	82,613
Retirement reserve - TRS	130,433	-	-	-	-	-	130,433
Other	-	-	-	-	-	65,831	65,831
School lunch	-	-	40,250	-	-	-	40,250
Assigned							
Appropriated fund balance	1,799,615	-	-	-	-	-	1,799,615
Encumbrances (Note 10)	14,389	-	-	-	-	-	14,389
Unassigned	997,922	-	-	-	(45,292)	-	952,630
Total Fund Balances	4,017,625	-	48,537	-	(45,292)	65,831	4,086,701
Total Liabilities, Fund Balances and Deferred Inflows of Resources	\$ 4,371,301	\$ 481,189	\$ 48,663	\$ -	\$ 31,143	\$ 65,831	\$ 4,998,127

See Notes to the Financial Statements

WILLSBORO CENTRAL SCHOOL DISTRICT

EXHIBIT 4

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Year Ended June 30, 2023

	GENERAL	SPECIAL AID	SCHOOL FOOD SERVICE	DEBT SERVICE	CAPITAL PROJECTS	NON-MAJOR	TOTAL
REVENUES							
Real property taxes	\$ 5,888,951	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,888,951
Charges for services	47,321	-	-	-	-	-	47,321
Use of money and property	148,268	-	20	-	-	34	148,322
Sale of property and compensation for loss	9,504	-	-	-	-	-	9,504
Miscellaneous	101,643	-	14	-	-	36,923	138,580
State sources	2,994,188	125,532	3,352	-	45,566	-	3,168,638
Federal sources	42,604	540,936	175,844	-	-	-	759,384
Sales	-	-	10,755	-	-	-	10,755
Total Revenues	9,232,479	666,468	189,985	-	45,566	36,957	10,171,455
EXPENDITURES							
General support	1,202,328	16,666	93,136	-	-	38,065	1,350,195
Instruction	3,857,432	602,203	-	-	-	-	4,459,635
Pupil transportation	333,741	16,101	-	-	-	-	349,842
Employee benefits	2,381,997	54,983	153,991	-	-	-	2,590,971
Debt service	951,498	-	-	-	-	-	951,498
Cost of sales	-	-	75,881	-	-	-	75,881
Capital outlay	-	-	-	-	176,080	-	176,080
Total Expenditures	8,726,996	689,953	323,008	-	176,080	38,065	9,954,102
Excess (Deficit) of Revenues over Expenditures	505,483	(23,485)	(133,023)	-	(130,514)	(1,108)	217,353
OTHER SOURCES AND USES							
BANs redeemed from appropriations	-	-	-	-	80,223	-	80,223
Lease proceeds	-	-	-	-	42,389	-	42,389
Operating transfers in	4,268	23,485	92,000	-	89,621	-	209,374
Operating transfers (out)	(205,106)	-	-	-	(4,268)	-	(209,374)
Total Other Sources and Uses	(200,838)	23,485	92,000	-	207,965	-	122,612
Excess (Deficiency) Revenues and Other Sources over Expenditures and Other Uses	304,645	-	(41,023)	-	77,451	(1,108)	339,965
Fund Balances, Beginning of Year	3,712,980	-	89,560	-	(122,743)	66,939	3,746,736
Fund Balances, End of Year	\$ 4,017,625	\$ -	\$ 48,537	\$ -	\$ (45,292)	\$ 65,831	\$ 4,086,701

See Notes to the Financial Statements

WILLSBORO CENTRAL SCHOOL DISTRICT

EXHIBIT 5

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2023**

	TOTAL GOVERNMENT FUNDS	LONG-TERM ASSETS, LIABILITIES	RECLASSIFICATION AND ELIMINATIONS	STATEMENT OF NET POSITION TOTALS
ASSETS				
Unrestricted cash	\$ 2,347,392	\$ -	\$ -	\$ 2,347,392
Restricted cash	1,336,405	-	-	1,336,405
Due from other funds	594,946	-	(594,946)	-
State and federal aid receivable	552,106	-	-	552,106
Due from other governments	153,060	-	-	153,060
Inventories	8,287	-	-	8,287
Deposit, electric reserve	5,931	-	-	5,931
Fixed assets	-	8,607,837	-	8,607,837
Total Assets	4,998,127	8,607,837	(594,946)	13,011,018
DEFERRED OUTFLOW OF RESOURCES				
Unamortized defeasance loss	-	134,846	-	134,846
Other post employment benefits	-	3,507,537	-	3,507,537
Pensions	-	1,780,723	-	1,780,723
Total Deferred Outflows of Resources	-	5,423,106	-	5,423,106
Total Assets and Deferred Outflow of	\$ 4,998,127	\$ 14,030,943	\$ (594,946)	\$ 18,434,124
LIABILITIES				
Accounts payable	\$ 23,634	\$ 3,070	\$ -	\$ 26,704
Due to other funds	594,946	-	(594,946)	-
Due to other governments	126	-	-	126
Due to teacher's retirement system	269,926	-	-	269,926
Due to employee's retirement system	22,794	-	-	22,794
Bonds payable and other long-term debt	-	5,558,779	-	5,558,779
Leases payable	-	47,744	-	47,744
Compensated absences	-	176,808	-	176,808
Other post employment benefits	-	28,004,742	-	28,004,742
Net pension liability- proportionate share	-	668,827	-	668,827
Total Liabilities	911,426	34,459,970	(594,946)	34,776,450
DEFERRED INFLOWS OF RESOURCES				
Other post employment benefits	-	2,386,066	-	2,386,066
Pensions	-	142,174	-	142,174
Total Deferred Inflow of Resources	-	2,528,240	-	2,528,240
FUND BALANCE/NET POSITION				
Total Fund Balance/Net Position	4,086,701	(22,957,267)	-	(18,870,566)
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 4,998,127	\$ 14,030,943	\$ (594,946)	\$ 18,434,124

See Notes to the Financial Statements

WILLSBORO CENTRAL SCHOOL DISTRICT

EXHIBIT 6

**RECONCILIATION OF GOVERNMENTAL FUNDS-REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO STATEMENT OF ACTIVITIES
Year Ended June 30, 2023**

	TOTAL GOVERNMENT FUNDS	LONG-TERM REVENUE EXPENSES	CAPITAL RELATED ITEMS	LONG-TERM DEBT TRANSACTION	RECLASSIFICATION AND ELIMINATIONS	STATEMENT OF ACTIVITIES TOTALS
REVENUES						
Real property taxes	\$ 5,888,951	\$ -	\$ -	\$ -	\$ -	\$ 5,888,951
Charges for services	47,321	-	-	-	-	47,321
Use of money and property	148,322	-	-	-	-	148,322
Sale of property and compensation for loss	9,504	-	-	-	-	9,504
Miscellaneous	138,580	-	-	-	-	138,580
State sources	3,168,638	-	-	-	-	3,168,638
Federal sources	759,384	-	-	-	-	759,384
Sales	10,755	-	-	-	-	10,755
Total Revenues	<u>10,171,455</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,171,455</u>
EXPENDITURES						
General support	1,350,195	-	(26,010)	-	-	1,324,185
Instruction	4,459,635	-	364,331	-	-	4,823,966
Pupil transportation	349,842	-	44,820	-	-	394,662
Employee benefits	2,590,971	1,447,844	-	-	-	4,038,815
Debt service	951,498	-	-	(744,399)	(80,223)	126,876
Cost of sales	75,881	-	-	-	-	75,881
Capital outlay	176,080	-	(169,980)	-	-	6,100
Total Expenditures	<u>9,954,102</u>	<u>1,447,844</u>	<u>213,161</u>	<u>(744,399)</u>	<u>(80,223)</u>	<u>10,790,485</u>
Excess (Deficit) of Revenues over Expenditures	<u>217,353</u>	<u>(1,447,844)</u>	<u>(213,161)</u>	<u>744,399</u>	<u>80,223</u>	<u>(619,030)</u>
OTHER SOURCES AND USES						
Lease proceeds	42,389	-	-	(42,389)	-	-
BANs redeemed from appropriations	80,223	-	-	-	(80,223)	-
Operating transfers in	209,374	-	-	-	(209,374)	-
Operating transfers out	(209,374)	-	-	-	209,374	-
Total Other Sources and Uses	<u>122,612</u>	<u>-</u>	<u>-</u>	<u>(42,389)</u>	<u>(80,223)</u>	<u>-</u>
Net Change for the Year	<u>\$ 339,965</u>	<u>\$ (1,447,844)</u>	<u>\$ (213,161)</u>	<u>\$ 702,010</u>	<u>\$ -</u>	<u>\$ (619,030)</u>

See Notes to the Financial Statements

WILLSBORO CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 1. Summary of Significant Accounting Policies

A. Reporting entity

The Willsboro Central School District (District) is governed by the Education Law and other general laws of the State of New York. The governing body is the Board of Education of Willsboro Central School (Board). The Board is the basic level of government, which has oversight responsibilities and control over all activities related to the public school education in the region of Willsboro Central School District. The Board receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined in GASB pronouncements, since Board members are elected by the public and have decision making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

B. Basis of presentation

1. District-Wide Statements

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and non-exchange transactions.

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

2. Fund Functional Statements

The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Non-major funds are aggregated and presented in a single column. The District elects to report all governmental funds as major funds, except for Extraclassroom Activity Fund and Scholarship Fund.

WILLSBORO CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 1. Summary of Significant Accounting Policies (continued)

The District reports the following major governmental funds:

General Fund - the general fund is the principal operating fund of the District and is used to account for all financial resources, except those accounted for in another fund.

Special Revenue Funds – These funds account for the proceeds of specific revenue sources such as Federal and State Grants, that are legally restricted to expenditures for specified purposes, child nutrition or other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

- School Food Service Fund – Used to account for transactions of the lunch and breakfast programs.
- Special Aid Fund – Used to account for special operating projects or programs supported in whole, or in part, with Federal Funds or State or Local Grants.

Capital Projects Fund - the capital projects funds are to account for and report financial resources to be used for the acquisition, construction or renovation of major capital facilities, or equipment.

Debt Service Fund – the debt service funds are to account for the accumulation of resources and the payment of general long-term debt principal and interest.

C. Measurement Focus and Basis of Accounting

The District-wide and fiduciary fund financial statements are reported using economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied and collected. 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, revenues are recognized when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers all revenues reported in the governmental funds to

WILLSBORO CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1. Summary of Significant Accounting Policies (continued)

be available if the revenues are collected within 90 days (60 days for property taxes) after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred except for:

- a. Prepays and inventory-type items are recognized at the time of purchase.
- b. Principal and interest on indebtedness are not recognized as an expenditure until due.
- c. Compensated absences, such as vacation and sick leave, which vests or accumulates, are charged as an expenditure when paid.
- d. Pension costs are recognized as an expenditure when billed by the state.
- e. The School recognizes the cost of providing post retirement health insurance coverage and survivor benefits by recording its share of insurance premiums as expenditures in the year paid.

D. Inventories

Inventories of food and supplies 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 supplies in other funds are recorded as expenditures at the time of purchase, and year-end inventory balances are not maintained.

E. Capital assets

Acquisitions of equipment and capital facilities are reported at actual cost for acquisitions. Donated assets are reported at estimated fair market value at the time received. Effective July 1, 2021, the capitalization threshold was increased from \$2,500 to \$5,000. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of general fixed assets reported in the District-wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	\$5,000	Straight Line	15-50 Years
Land Improvements	\$5,000	Straight Line	15-30 Years
Equipment	\$5,000	Straight Line	5-25 Years
Licensed vehicles	\$5,000	Straight Line	8-10 Years

WILLSBORO CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 1. Summary of Significant Accounting Policies (continued)

F. Deferred revenue - planned balance

Statute provides the authority for the School District to levy taxes to be utilized to finance expenditures within the first 60 days of the succeeding fiscal year. Consequently, such amounts are recognized as revenue in the subsequent fiscal year rather than when measurable and available.

G. Retirement plan

The District provides retirement benefits for all of its regular full-time and some of its part time employees through contributions to the New York State Teachers' Retirement System and the New York State Employees' Retirement System. These systems provide various plans and options, some of which require employee contributions.

H. General long-term debt

Bonds, capital notes and bond anticipation notes issued for capital projects are recognized when issued.

I. Property taxes

Real property taxes are levied annually by the Board of Education. The County of Essex subsequently enforces uncollected real property taxes. Essex County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than the forthcoming April 1st.

J. Budgetary Procedures and Budgetary Accounting

1) General

The District's policy relating to budgetary information as shown in the accompanying financial statements is as follows:

A public hearing is held upon completion and filing of the tentative budget. Subsequent to such public hearing, the budget is adopted by the Board of Education. The budget is then approved by the voters within the District Appropriations established by adoption of the budget constitute limitations on expenditures (and encumbrances) which may be incurred. The New York Uniform System of Accounts requires that fixed budgetary control be used for all governmental fund types. Budget appropriations lapse at year-end.

2) Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other

WILLSBORO CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1. Summary of Significant Accounting Policies (continued)

commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as part of assigned fund balance and such commitments will be honored through budget appropriations in the subsequent year. Encumbrances do not constitute expenditures or liabilities.

K. Equity Classifications:

District- wide statements:

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

Net investment in capital assets – consists of net capital assets (cost less accumulated depreciation and amortization) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvements of those assets.

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

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

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

Fund statements:

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 Food Service Fund of \$8,287.

Restricted – includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional

WILLSBORO CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 1. Summary of Significant Accounting Policies (continued)

provisions or enabling legislation. The School District has established the following restricted fund balances:

Employee Benefits Accrued Liability

According to General Municipal Law §6-p, must be used 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.

Retirement Contributions

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

Tax Certiorari

According to General Municipal Law §3651.1-a, must be 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 that 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.

Unemployment Insurance

According to General Municipal Law §6-m, must be used to pay the cost of reimbursement to 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.

Capital Reserve

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. Expenditure may be made from the reserve only for a specific purpose further

WILLSBORO CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1. Summary of Significant Accounting Policies (continued)

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 §3561 of the Education Law. This reserve is accounted for in the General Fund.

Committed – Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the school district's 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 – 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 \$14,389.

Unassigned – Includes all other General Fund net position 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.

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the School District's budget for the General Fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

Order of Use of Fund Balance:

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

- L. Events Occurring After Reporting Date: The District has evaluated events and transactions that occurred between June 30, 2023 and October 10, 2023, which is the

WILLSBORO CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 1. Summary of Significant Accounting Policies (continued)

date the financial statements were available to be issued, for possible disclosure and recognition in the financial statement.

- M. 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 date of the financial statements

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

- N. Deferred Outflows and Inflows of Resources: In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has three items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension system not included in pension expense. The second item is the District contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date. The third item relates to OPEB reporting in the district-wide statement of Net Position. This amount represents differences between expected and actual experience and employer contributions subsequent to the measurement date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net position. This represents the effect of the net change in the District's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in the pension expense. The second item is related to OPEB reported in the district-wide Statement of Net Position. This represents differences between expected and actual experience and changes in assumptions or other inputs.

WILLSBORO CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 1. Summary of Significant Accounting Policies (continued)

O. New Accounting Standards:

The District has adopted and implemented all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable as of June 30, 2023, including GASB Statement No. 96, *Subscription Based Information Technology Arrangements*.

Note 2. Explanation of Certain Differences between Governmental Fund Statements and District-wide Statements

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the District-wide statements, certain financial transactions are treated differently. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources of the governmental funds.

A. Total fund balances of governmental funds vs. net position of governmental activities:

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets.

The costs of building and acquiring capital assets (land, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, with their original costs capitalized and depreciation expensed annually over their useful lives.

Long-term liabilities are reported in the Statements of Net Position, but not in the governmental funds, because they are not due and payable in the current period.

WILLSBORO CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 2. Explanation of Certain Differences between Governmental Fund Statements and District-wide Statements (continued)

Explanation of Differences Between Governmental Fund Balances and District Wide Net Assets

Ending fund balance reported on Balance Sheet - Governmental Funds (Exhibit 3)	\$ 4,086,701
Capital assets net of related depreciation/ amortization	8,607,837
Deferred outflows:	
Deferred interest from bond refunding, net	134,846
Pensions - TRS	1,485,146
Pensions - ERS	295,577
Other post employment benefits	3,507,537
Liabilities, long term:	
Bonds payable	(5,558,779)
Leases payable	(47,744)
Accrued interest	(3,070)
Other post employment benefits	(28,004,742)
Compensated absences	(176,808)
Net pension liability	(668,827)
Deferred inflows:	
Pensions - TRS	(111,956)
Pensions - ERS	(30,218)
Other post employment benefits	<u>(2,386,066)</u>
Ending net position reported on Statement of Net Position (Exhibit 1)	<u><u>\$ (18,870,566)</u></u>

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

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

1. Long-Term Revenue Differences

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

WILLSBORO CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 2. Explanation of Certain Differences between Governmental Fund Statements and District-wide Statements (continued)

2. Capital Related Differences

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

3. Long-Term Debt Transaction Differences

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the 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.

4. Other Post-Employment Benefits Differences

Other post-employment benefits occur because retiree health insurance premiums are paid and recorded as expenditures in the governmental fund statements as incurred. GASB 75 requires an actuarial calculation of the future liability and to record the OPEB Obligation in the Statement of Net Position.

5. Pension differences

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

Explanation of Differences Between Governmental Funds Operating Statement
and the District Wide Statement of Activities

Revenues:

Total revenues and other funding sources of governmental funds (Exhibit 4)	\$ 10,171,455
No current year changes	<u>-</u>
Total revenues of governmental activities in the Statement of Activities (Exhibit 2)	<u>\$ 10,171,455</u>

WILLSBORO CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 2. Explanation of Certain Differences between Governmental Fund Statements and District-wide Statements (continued)

Expenditures:

Total expenditures reported in governmental funds (Exhibit 4)	\$ 9,954,102
In the Statement of Activities, certain operating expenses (compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). Compensated absences earned during the year exceeded the amount used.	22,047
When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/ amortization expense. This is the amount by which depreciation/ amortization expense exceeded capital expenditures in the current year.	213,161
Repayment of bond principal and principal of other long-term debt is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position, and does not effect the Statement of Activities.	(700,000)
Repayment of lease obligation is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position, and does not effect the Statement of Activities.	(8,047)
Repayment of bond anticipation notes is an expenditure in the General fund and other sources of income in the Capital Project's Fund. A reclassifying entry reduces both expenditures and other sources of income in the Statement of Activities.	(80,223)
Decrease in accrued interest	(247)
Amortization of bond premium	(68,793)
OPEB differences occur as a result of changes in the District's total OPEB liability and differences between the District's contributions and OPEB expense.	1,231,815
During the year ended June 30, 2021 the District refunded some of its existing debt. The difference between the amount of the new bond proceeds and the outstanding bonds retired will be amortized as an adjustment of interest expense in the statement of activities over the average remaining life of the refunded debt (8 years), beginning in the fiscal year ended 6/30/21. Current year amortization amounted to	32,688
(Increases) decreases in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for, or require, the use of current financial resources and therefore are not reported as revenues or expenditures in governmental funds.	
Teachers' Retirement System	106,232
Employees' Retirement System	87,750
Total expenses of governmental activities in the Statement of Activities (Exhibit 2)	<u>\$ 10,790,485</u>

WILLSBORO CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 2. Explanation of Certain Differences between Governmental Fund Statements and District-wide Statements (continued)

Other Sources and Uses

Total other sources and uses in governmental funds (Exhibit 4)	\$ 122,612
Proceeds from leases are other sources of income in the Capital Projects Fund, but are removed from the Statement of Activities and shown as a long term liability on the Statement of Net Position	(42,389)
Repayment of bond anticipation notes is an expenditure in the General fund and other sources of income in the Capital Project's Fund. A reclassifying entry reduces both expenditures and other sources of income in the Statement of Activities.	(80,223)
Total other sources and uses in the Statement of Activities (Exhibit 2)	<u>\$ -</u>

Note 3. Cash and Investments

According to the New York State Education Law, the Board may invest the District's money in special time-deposit accounts or certificates of deposit; however, such time-deposit accounts or certificates of deposit must be made in the name of the district and payable in time for the proceeds to be available to meet expenditures for which the money was obtained. Furthermore, the time-deposit account or certificates of deposit must be secured "by a pledge of obligations of the United States of America or obligations of the State of New York or obligations of any municipal corporation, district or district corporation of the State of New York".

Investments also may be made in obligations of the United States of America or in obligations of New York State or, with the approval of the state comptroller, in certain obligations of municipalities, school districts or district corporations other than the one investing the money.

The district may make a variety of short-term investments that include the purchase of United States Treasury bills, United States Treasury certificates of indebtedness or United States Treasury notes and bonds. In addition, it may invest in negotiable certificates of deposit.

All bank balances of deposits as of the balance sheet date are entirely insured or collateralized with securities held by financial institutions in the District's name.

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 was \$1,336,405 at June 30, 2023.

WILLSBORO CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 4. Interfund Balances and Activity

Interfund balances and activity at June 30, 2023 and for the fiscal year then ended, were as follows:

Fund Type	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General	\$ 558,846	\$ 37,322	\$ 4,268	\$ 205,106
School Food Service Lunch	-	-	92,000	-
Special Aid	36,100	481,189	23,485	-
Capital Projects	-	76,435	89,621	4,268
Total	<u>\$ 594,946</u>	<u>\$ 594,946</u>	<u>\$ 209,374</u>	<u>\$ 209,374</u>

Interfund receivables and payables are eliminated on the Statement of Net Position.

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

The District typically transfers funds from the General Fund to the School Food Service Fund to supplement its operations.

The District typically transfers funds from the General Fund to the Special Aid fund for its share of special aid programs.

The District transferred \$89,621 from the General Fund to the Capital Project fund for the annual project.

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

WILLSBORO CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 5. Capital Assets

A summary of changes in capital assets follows:

Capital Assets

	6/30/2022 Balance	Additions	Retirements/ Reclassifications	6/30/2023 Balance
Capital assets that are not depreciated:				
Land	\$ 236,016	\$ -	\$ -	\$ 236,016
Construction work in process	-	127,591	(88,400)	39,191
Total non-depreciable historical cost	236,016	127,591	(88,400)	275,207
Capital assets that are depreciated:				
Buildings	13,906,747	88,400	(4,161)	13,990,986
Furniture and equipment	1,337,711	34,472	(59,264)	1,312,919
Total depreciable historical cost	15,244,458	122,872	(63,425)	15,303,905
Less accumulated depreciation:				
Buildings	5,769,346	331,380	(4,161)	6,096,565
Furniture and equipment	952,560	78,653	(59,264)	971,949
Total accumulated depreciation	6,721,906	410,033	(63,425)	7,068,514
Total depreciable historical cost, net	8,522,552	(287,161)	8,322	8,235,391
Intangible right-to-use assets:				
Leased equipment	79,894	63,710	-	143,604
Less accumulated amortization	17,464	28,901	-	46,365
Net intangible right-to-use asset	62,430	34,809	-	97,239
Total Capital Assets, Net	\$ 8,820,998	\$ (124,761)	\$ (80,078)	\$ 8,607,837

Depreciation/ amortization was charged to governmental functions as follows:

	6/30/2023
General Support	\$ 8,462
Instructions	385,652
Pupil Transportation	44,820
	<u>\$ 438,934</u>

WILLSBORO CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 5. Capital Assets (continued)

Intangible Right-to-Use Assets

In fiscal 2022, the District implemented the guidance in GASB Statement No. 87, *Leases* for accounting and reporting leases that had previously been reported as operating leases. Capital Assets now include the cost and accumulate amortization of computers and related equipment leased under long-term contracts. As of June 30, 2023, the District had four lease agreements in place. Three leases are paid over time as described in Note 7. These intangible right-to-use assets are being amortized over the lease term. During the year ended June 30, 2023, \$63,710 of computers, copiers, and related equipment were leased with \$21,320 paid up front. These leased assets are being amortized over a 5-6 year period.

Note 6. Compensated Absences

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

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

District employees are granted vacation in varying amounts, based primarily on length of service and service position.

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

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

Note 7. Indebtedness

The following is a summary of changes in short-term debt:

	6/30/2022	Additions	Deletions	6/30/2023
Bond Anticipation Notes	\$ 80,223	\$ -	\$ (80,223)	\$ -

Interest expense paid on short-term debt for the year ended June 30, 2023 is \$634.

WILLSBORO CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 7. Indebtedness (continued)

Long-Term Debt:

a)

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

Interest paid	\$ 161,542
Less: interest accrued in the prior year	(3,317)
amortization of bond premium	(68,793)
Plus: interest accrued in the current year	3,070
amortization of defeasance loss	<u>32,688</u>
	<u><u>\$ 125,190</u></u>

b. Changes

The changes in the District's long-term indebtedness during the year ended June 30, 2023 are summarized as follows:

	Balance 6/30/2022	Additions	Deletions	Balance 6/30/2023
Serial Bonds	\$ 4,675,000	\$ -	\$ 610,000	\$ 4,065,000
Bond Premium, net of amort	352,572	-	68,793	283,779
Lease-Purchase Obligations	1,300,000	-	90,000	1,210,000
Leases Payable	13,402	42,389	8,047	47,744
Compensated Absences	154,761	22,047	-	176,808
Other Post Employment Benefits	29,548,553	-	1,543,811	28,004,742
Total	<u>\$ 36,044,288</u>	<u>\$ 64,436</u>	<u>\$ 2,320,651</u>	<u>\$ 33,788,073</u>

WILLSBORO CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 7. Indebtedness (continued)

c. Maturity

The following is a summary of maturity of indebtedness:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding 6/30/2023
Serial Bond 2020	5/26/2020	5/15/2032	2.25%-2.375%	\$ 445,000
Serial Bond 2021	3/30/2021	6/15/2029	1.0%-4.0%	3,620,000
Bond Premium, net of amort				283,779
				<u>\$ 4,348,779</u>

The following is a summary of maturing debt service requirements:

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	\$ 625,000	\$ 108,281	\$ 733,281
2024	625,000	101,469	726,469
2025	635,000	94,656	729,656
2026	650,000	81,844	731,844
2027	675,000	56,719	731,719
2028-2032	855,000	38,113	893,113
	<u>\$ 4,065,000</u>	<u>\$ 481,082</u>	<u>\$ 4,546,082</u>

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

Lease-purchase obligations are as follows:

Description of Issue	Issue Date	Maturity Date	Interest Rate	Outstanding at 6/30/23
Energy performance contract	8/16/2018	6/15/2034	3.59%	<u>\$ 1,210,000</u>

WILLSBORO CENTRAL SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023****Note 7. Indebtedness (continued)**

The following is a summary of maturing debt service requirements:

Fiscal Year Ending June 30:	Principal	Interest	Total
2024	\$ 95,000	\$ 43,430	\$ 138,430
2025	95,000	40,020	135,020
2026	100,000	36,611	136,611
2027	105,000	33,022	138,022
2028	105,000	29,253	134,253
2029-2033	580,000	87,220	667,220
2034-2038	130,000	4,666	134,666
	<u>\$ 1,210,000</u>	<u>\$ 274,222</u>	<u>\$ 1,484,222</u>

Intangible Right-to-Use Lease Liabilities:

In 2022, the District implemented the guidance GASB Statement No. 87, *Leases* for accounting and reporting leases that had previously been reported as operating leases.

Lease liabilities are comprised of the following:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding 6/30/2023
Computer servers	7/27/2020	7/15/2025	1.510%	\$ 5,321
Misc. computer equipment	4/27/2020	4/15/2025	1.660%	3,880
Copiers	12/15/2022	12/15/2027	4.250%	38,543
Total				<u>\$ 47,744</u>

Interest paid was \$1,053 for the year ended June 30, 2023.

The lease equipment and accumulated amortization of the right-to-use assets are outlined in Note 5.

Minimum lease payments over the next five years include:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 12,208	\$ 1,605	\$ 13,813
2025	12,619	1,192	13,811
2026	9,244	783	10,027
2027	9,018	407	9,425
2028	4,655	58	4,713
	<u>\$ 47,744</u>	<u>\$ 4,045</u>	<u>\$ 51,789</u>

WILLSBORO CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 8. Pension Plans

General Information

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

Teachers' Retirement System (TRS)

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

Employees' Retirement System (ERS)

The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. NYSRSSL govern obligations of employers and employees to contribute, and benefits to employees. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of State statute. The District also participated 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.

WILLSBORO CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 8. Pensions (continued)

Funding Policies

The Systems are noncontributory, except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education law.

Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	ERS	TRS
2023	\$ 65,969	\$ 251,244
2022	\$ 82,029	\$ 251,478
2021	\$ 80,690	\$ 251,101

ERS has provided additional disclosures for entities that elected to participate in Chapter 260, 57, and 105.

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

At June 30, 2023 the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2023 for ERS and June 30, 2022 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	ERS	TRS
Measurement Date	3/31/2023	6/30/2022
Net Pension asset/(liability)	\$ (409,814)	\$ (259,013)
District's portion of the Plan's total net pension asset/(liability)	0.0019111%	0.013498%
Change in proportion since the prior measurement date	\$ (545,602)	\$ (2,825,563)

WILLSBORO CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 8. Pensions (continued)

For the year ended June 30, 2023, the District's recognized pension (income) expense of \$156,925 for ERS and \$355,488 for TRS. At June 30, 2023 the District's reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	\$ 43,648	\$ 271,413	\$ 11,509	\$ 5,190
Changes of assumptions	199,032	502,441	2,200	104,338
Net difference between projected and actual earnings on pension plan investments	-	334,669	2,408	-
Changes in proportion and differences between the Districts' contributions and proportionate share of contributions	30,103	127,252	14,101	2,428
District's contributions subsequent to the measurement date	22,794	249,371	-	-
Total	<u>\$ 295,577</u>	<u>\$ 1,485,146</u>	<u>\$ 30,218</u>	<u>\$ 111,956</u>

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

Year ended:	ERS	TRS
2023	\$ -	\$ 218,453
2024	62,018	127,583
2025	(18,151)	(14,729)
2026	83,932	679,536
2027	114,766	101,653
Thereafter	-	11,323
Total	<u>\$ 242,565</u>	<u>\$ 1,123,819</u>

Actuarial Assumptions

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

WILLSBORO CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 8. Pensions (continued)

	<u>ERS</u>	<u>TRS</u>
Measurement date	3/31/2023	6/30/2022
Actuarial valuation date	4/1/2022	6/30/2021
Interest rate	5.9%	6.95%
Salary scale	4.4%	1.95%-5.18%
Decrement tables	April 1, 2015- March 31, 2020 System's Experience	July 1, 2015- June 30, 2020 System Experience

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

For ERS, the Actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – 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 the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

WILLSBORO CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 8. Pensions (continued)

	<u>ERS</u>	<u>TRS</u>
Measurement Date	3/31/2023	6/30/2022
Asset Type:	%	%
Domestic equity	4.30	6.50
International equity	6.85	7.20
Private equity	7.50	9.90
Real estate	4.60	6.20
Domestic fixed income securities	-	1.10
Opportunistic/ ARS portfolio	5.38	-
Credit	5.43	-
Real assets	5.84	-
Fixed income	1.50	-
Cash	0.00	(0.30)
Private debt	-	5.30
Global equities	-	6.90
Global bonds	-	0.60
High-yield bonds	-	3.30
Real estate debt	-	2.40

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share for the net pension liability to the discount rate assumption

The following presents the District's proportionate share of the net pension asset (liability) calculated using the discount rate of 5.9% for ERS and 6.95% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1% lower (4.9% for ERS and 5.95% for TRS) or 1% higher (6.9% for ERS and 7.95% for TRS) than the current rate:

WILLSBORO CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 8. Pensions (continued)

	1% Decrease 4.9%	Current Assumption 5.9%	1% Increase 6.9%
Employer's proportionate share of the net pension asset / (liability)	\$ (990,344)	\$ (409,814)	\$ 75,287
TRS	1% Decrease 5.95%	Current Assumption 6.95%	1% Increase 7.95%
Employer's proportionate share of the net pension asset / (liability)	\$ (2,388,219)	\$ (259,013)	\$ 1,531,636

Payables to the pension plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2023 represent the projected employer contribution for the period of April 1, 2023 through June 30, 2023 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Accrued retirement contributions as of June 30, 2023 amounted to \$22,794.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2023 are paid to the System in September, October and November 2023 through a state aid intercept. Accrued retirement contributions for the fiscal year ended June 30, 2023 are based on paid TRS wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2023 amounted to \$269,926.

Note 9. Post-Employment (Health Insurance) Benefits

The District provides post-employment (health insurance, etc.) coverage to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the District's contractual agreements. Post-employment benefits aggregating \$1,010,816 for 66 employees were charged to expenses/ expenditures in the Governmental Funds in the current year.

A. General Information about the OPEB Plan

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

WILLSBORO CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Note 9. Post-Employment (Health Insurance) Benefits (continued)

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

Employees Covered by Benefit Terms – At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	58
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>52</u>
	<u>110</u>

B. Total OPEB Liability

The District's total OPEB liability of \$28,004,742 was measured as of July 1, 2022, and was determined by an actuarial valuation as of July 1, 2021.

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

Inflation	2.5 percent
Salary Increases	3.5 percent
Discount Rate	3.54 percent
Healthcare Cost Trend Rates	6.0 percent for 2023, decreasing annually to an ultimate rate of 3.94 percent for 2082 and later years

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

Mortality rates were based on the PUB-2010 Mortality Table, and adjusted for mortality improvements with scale MP-2021 on a generational basis.

WILLSBORO CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 9. Post-Employment (Health Insurance) Benefits (continued)

C. Changes in the Total OPEB Liability

Balance at June 30, 2022	<u>\$ 29,548,553</u>
<u>Changes for the Year-</u>	
Service Cost	828,990
Interest	639,768
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(2,048,914)
Benefit payments	<u>(963,655)</u>
Net Changes	<u>(1,543,811)</u>
Balance at June 30, 2023	<u><u>\$ 28,004,742</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.14% percent in 2022 to 3.54% percent in 2023.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.54 percent) or 1 percentage point higher (4.54 percent) than the current discount rate:

	1% Decrease 2.54%	Discount Rate 3.54%	1% Increase 4.54%
Total OPEB Liability	<u>\$ 32,527,851</u>	<u>\$ 28,004,742</u>	<u>\$ 24,354,683</u>

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	<u>\$ 23,689,909</u>	<u>\$ 28,004,742</u>	<u>\$ 33,462,667</u>

WILLSBORO CENTRAL SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

Note 9. Post-Employment (Health Insurance) Benefits (continued)**D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2023, the District recognized OPEB expense of \$2,256,087. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 513,035	\$ 176,142
Changes of assumptions or other inputs	1,970,230	2,209,924
Contributions subsequent to the measurement date	1,024,272	-
Total	<u>\$ 3,507,537</u>	<u>\$ 2,386,066</u>

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

Fiscal Year Ending June 30,	Amount
2024	\$ 882,086
2025	84,070
2026	(567,519)
2027	(301,438)
	<u>\$ 97,199</u>

Note 10. Assigned Fund Balance – Encumbrances

<u>General Fund</u>	<u>2023</u>
Central Services	\$ 1,847
Teaching - regular school	8,468
Pupil Services	1,878
Pupil Transportation	2,196
	<u>\$ 14,389</u>

WILLSBORO CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 11. Commitments and Contingencies

The Willsboro Central School District is exposed to various risk of loss related to damage to and destruction of assets: injuries to employees and student; errors and omissions; natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties. For its employee health and accident insurance coverage the Willsboro Central School District is a participant in the Clinton-Essex-Warren-Washington Health insurance Consortium, a public entity risk pool operated for the benefit of 16 individual governmental units located within the Counties of Clinton, Essex, Warren and Washington. The District pays an annual premium to the Plan for the health and accident coverage.

The Clinton-Essex-Warren-Washington Health Insurance Consortium is considered a self-sustaining risk pool that will provide coverage for insured events. The Willsboro Central School District has essentially transferred all related risk to the Consortium.

The Willsboro Central School District participates in a risk sharing pool, the Clinton-Essex-Warren-Washington Workers' Compensation Consortium, to insure Workers' Compensation claims. The Clinton-Essex-Warren-Washington Workers' Compensation Consortium is a public entity risk pool operated for the benefit of 16 individual governmental units located within the Counties of Clinton, Essex, Warren and Washington. The School pays an annual premium to the Plan for the worker's compensation coverage. The Clinton-Essex-Warren- Washington Worker's Compensation Consortium is considered a self-sustaining risk pool that will provide coverage for insured events. The Willsboro Central School District has essentially transferred all related risk to the Consortium.

From time to time the Willsboro Central School District is involved in tax certiorari proceedings from residents petitioning to have their assessed taxable values lowered. At June 30, 2023, the District is aware of certain petitions for tax certiorari proceedings amounting to \$21,124. A reserve for tax certiorari is established for \$19,612.

The Willsboro Central 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 years' experience, the District's administration believes disallowances, if any, will be immaterial.

Occasionally, the District may be involved in certain lawsuits arising out of the ordinary course of business. While the outcome of lawsuits and other proceedings against the District cannot be predicted with certainty, the District does not expect that these matters will have a material adverse effect on its financial position.

Note 12. Joint Venture

The Willsboro Central School District is one of 16 component school districts in the Clinton-Essex-Warren-Washington Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services, and programs which provide educational and support activities.

WILLSBORO CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 12. Joint Venture (continued)

BOCES are organized under Section 1950 of the Education Law. A BOCES Board is considered a corporate body. All BOCES property is held by the BOCES Board as a corporation (Section 1950(6)). In addition, BOCES Boards are also considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section 119-n(a) of the General Municipal Law.

A BOCES' budget is comprised of separate budgets for administrative, program, and capital costs. Each component school district's share of administrative and capital cost is determined by resident public school district enrollment as defined in Education Law, Section 1950(4)(b)(7).

There is no authority or process by which a school district can terminate its status as a BOCES component. In addition, component school districts pay tuition or a service fee for programs in which its students participate. Members of BOCES Board are nominated and elected by their component member boards in accordance with provisions of Section 1950 of the Education Law.

During the year ended June 30, 2023, the Willsboro Central School District was billed \$1,470,796 for BOCES administrative program costs. Participating school districts issue debt on behalf of BOCES. During the year ended June 30, 2023, Willsboro Central School District issued no serial bonds on behalf of BOCES. General-purpose financial statements for the Clinton-Essex-Warren-Washington BOCES are available from BOCES administrative office at P.O. Box 485, Plattsburgh, New York. The District's share of BOCES income amounted to \$208,883. BOCES also refunded the District \$36,993 for excess expenses billed in prior years.

Note 13. Tax Abatements

The County of Essex entered into various property tax abatement programs for the purpose of economic development. The School District property tax revenue was reduced \$5,773. The District received Payment in Lieu of Tax (PILOT) totaling \$0.

Note 14. Stewardship, Compliance and Accountability

The District's unassigned general fund balance was in excess of the New York State Real Property Tax Law Section 1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year. The unassigned fund balance at June 30, 2023 was \$997,922 which represents 9.15% of next year's budget. The excess amounted to \$561,862.

Note 15. Subsequent Event

On August 2, 2023, the District issued a BAN for \$608,371 with interest at 4.25% to finance the current capital project. The BAN is due August 2, 2024.

WILLSBORO CENTRAL SCHOOL DISTRICT

COMBINING BALANCE SHEET - NON-MAJOR
June 30, 2023

	SCHOLARSHIP FUND	EXTRACLASSROOM ACTIVITIES FUND	Total
ASSETS			
Cash	\$ 31,684	\$ 34,147	\$ 65,831
Total Assets	\$ 31,684	\$ 34,147	\$ 65,831
FUND BALANCES			
Total Fund Balances	\$ 31,684	\$ 34,147	\$ 65,831

WILLSBORO CENTRAL SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES AND EXPENDITURES - NON-MAJOR FUNDS

Year Ended June 30, 2023

	SCHOLARSHIP FUND	EXTRACLASSROOM ACTIVITIES FUND	Total
REVENUES			
Miscellaneous revenue	\$ -	\$ 36,923	\$ 36,923
Investment earnings	34	-	34
Total Revenues	34	36,923	36,957
EXPENDITURES			
Scholarships and awards	2,602	-	2,602
Disbursements - extraclassroom	-	35,463	35,463
Total Expenditures	2,602	35,463	38,065
Changes in Fund Balances	(2,568)	1,460	(1,108)
Fund Balances, Beginning of Year	34,252	32,687	66,939
Fund Balances, End of Year	\$ 31,684	\$ 34,147	\$ 65,831

WILLSBORO CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND THE REAL PROPERTY TAX LIM
Year Ended June 30, 2023

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted budget	\$ 10,479,884
Additions:	
Encumbrances - fiscal year 2022	<u>59,244</u>
Final budget	<u><u>\$ 10,539,128</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2023-2024 expenditure budget	<u><u>\$ 10,901,493</u></u>
Maximum allowed (4% of 2023-24 budget)	<u><u>436,060</u></u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:	
Unrestricted fund balance:	
Committed fund balance	\$ -
Assigned fund balance	1,814,004
Unassigned fund balance	<u>997,922</u>
Total unrestricted fund balance	<u><u>2,811,926</u></u>
Less:	
Appropriated fund balance	1,799,615
Insurance recovery reserve	-
Tax reduction reserve	-
Encumbrances included in assigned fund balance	<u>14,389</u>
Total adjustments	<u><u>1,814,004</u></u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:	<u><u>\$ 997,922</u></u>
Actual percentage	<u><u>9.15%</u></u>

WILLSBORO CENTRAL SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2023

	Adopted Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
Revenues:				
Local sources:				
Real property tax items	\$ 5,871,165	\$ 5,871,165	\$ 5,888,951	\$ 17,786
Charges for services	100,000	100,000	47,321	(52,679)
Use of money and property	2,000	2,000	148,268	146,268
Sale of property and compensation for loss	-	-	9,504	9,504
Miscellaneous	87,900	87,900	101,643	13,743
State sources	2,887,300	2,887,300	2,994,188	106,888
Federal sources	42,000	42,000	42,604	604
Total revenues	8,990,365	8,990,365	9,232,479	242,114
Other Sources & Uses:				
Operating transfers in	-	-	4,268	4,268
Total other sources	-	-	4,268	4,268
Appropriated Fund Balance:				
Prior year appropriated surplus	1,489,519	1,489,519		
Prior year encumbrances	-	59,244	-	
Total Appropriated Fund Balance	1,489,519	1,548,763	-	
Total Revenues and Appropriated Fund Balance	\$ 10,479,884	\$ 10,539,128	9,236,747	

See Independent Auditor's Report.

	Adopted Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Final Budget Variance with Budgetary Actual and Encumbrances
Expenditures:					
General support:					
Board of education	\$ 7,100	\$ 13,866	\$ 12,491	\$ -	\$ 1,375
Central administration	201,907	209,093	209,093	-	-
Finance	199,155	221,081	218,053	-	3,028
Staff	46,803	46,803	34,089	-	12,714
Central services	513,157	617,199	551,530	1,847	63,822
Special items	180,301	180,051	177,072	-	2,979
Total General Support	1,148,423	1,288,093	1,202,328	1,847	83,918
Instructional:					
Administration and improvement	106,340	106,340	47,076	-	59,264
Teaching - regular school	1,888,955	1,869,119	1,715,573	8,468	145,078
Special education programs	2,040,044	2,078,926	1,628,087	-	450,839
Instructional media	269,303	281,115	147,088	-	134,027
Pupil services	412,837	426,356	319,608	1,878	104,870
Total Instructional	4,717,479	4,761,856	3,857,432	10,346	894,078
Pupil transportation	376,605	408,179	333,741	2,196	72,242
Employee Benefits	3,101,204	2,940,440	2,381,997	-	558,443
Debt service	944,173	948,560	951,498	-	(2,938)
Total Expenditures	10,287,884	10,347,128	8,726,996	14,389	1,605,743
Other Financing Uses:					
Interfund transfer	192,000	192,000	205,106	-	(13,106)
Total Expenditures and Other Uses	10,479,884	10,539,128	8,932,102	\$ 14,389	\$ 1,592,637
 Net Change in Fund Balance			304,645		
 Fund Balance - Beginning			3,712,980		
 Fund Balance - Ending			\$ 4,017,625		

See Independent Auditor's Report.

WILLSBORO CENTRAL SCHOOL DISTRICT

SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND

Year Ended June 30, 2023

Project Title	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	(Overexpended) Unexpended Balance	Methods of Financing				Fund Balance June 30, 2023
							Proceeds of Obligations	State Aid	Local Sources	Total	
Buses 6/30/17	\$ 116,312	\$ 116,312	\$ 116,312	\$ -	\$ 116,312	\$ -	\$ -	\$ -	\$ 116,413	\$ 116,413	\$ 101
Buses 6/30/18	77,500	77,500	73,333	-	73,333	-	-	-	77,500	77,500	4,167
Buses 6/30/20	126,445	126,445	126,445	-	126,445	-	-	-	126,445	126,445	-
Fire Alarm	382,707	382,707	-	39,191	39,191	-	-	-	-	-	(39,191)
100k Project	100,000	100,000	-	88,399	88,399	-	-	-	88,399	88,399	-
Smart School	135,290	135,290	135,290	6,101	141,391	-	-	134,068	1,222	135,290	(6,101)
Lease Copiers	42,389	42,389	-	42,389	42,389	-	42,389	-	-	42,389	-
Total Buses	<u>\$ 980,643</u>	<u>\$ 980,643</u>	<u>\$ 451,380</u>	<u>\$ 176,080</u>	<u>\$ 627,460</u>	<u>\$ -</u>	<u>\$ 42,389</u>	<u>\$ 134,068</u>	<u>\$ 409,979</u>	<u>\$ 586,436</u>	<u>\$ (41,024)</u>
Transferred to General Fund											<u>(4,268)</u>
											<u>\$ (45,292)</u>

See Independent Auditor's Report.

WILLSBORO CENTRAL SCHOOL DISTRICT

NET INVESTMENT IN CAPITAL ASSETS

Year Ended June 30, 2023

Capital Assets, Net	\$ 8,607,837
Add:	
Deferred interest from bond refunding, net	134,846
Deduct:	
Bond anticipation notes	-
Premium on bonds payable	(283,779)
Short-term portion of bonds payable and long-term debt	(720,000)
Long-term portion of bonds payable and long-term debt	(4,555,000)
Short-term portion of lease payable	(12,208)
Long-term portion of lease payable and long-term debt	(35,536)
Add: bonds payable used for BOCES project	445,000
Net investment in capital assets	<u><u>\$ 3,581,160</u></u>

WILSBORO CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS

Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018
Measurement Date	July 1, 2022	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017
Service Cost	\$ 828,990	\$ 918,741	\$ 681,266	\$ 541,194	\$ 603,635	\$ 721,435
Interest	639,768	680,616	856,169	777,873	726,088	653,711
Changes in benefit terms	-	(231,041)	(85,718)	180,170	-	(257,648)
Differences between expected and actual experience	-	(319,932)	-	3,444,671	-	(155,828)
Changes of assumption or other inputs	(2,048,914)	(972,050)	5,447,104	(74,935)	(856,921)	(3,174,469)
Benefit payments	<u>(963,655)</u>	<u>(812,303)</u>	<u>(790,023)</u>	<u>(504,280)</u>	<u>(454,500)</u>	<u>(420,498)</u>
Net change in total OPEB liability	(1,543,811)	(735,969)	6,108,798	4,364,693	18,302	(2,633,297)
Total OPEB liability - beginning	<u>29,548,553</u>	<u>30,284,522</u>	<u>24,175,724</u>	<u>19,811,031</u>	<u>19,792,729</u>	<u>22,426,026</u>
Total OPEB liability - Ending	<u><u>\$ 28,004,742</u></u>	<u><u>\$ 29,548,553</u></u>	<u><u>\$ 30,284,522</u></u>	<u><u>\$ 24,175,724</u></u>	<u><u>\$ 19,811,031</u></u>	<u><u>\$ 19,792,729</u></u>
Covered payroll	\$ 3,152,988	\$ 3,104,985	\$ 3,504,003	\$ 3,393,978	\$ 3,608,249	\$ 3,547,308
Total OPEB liability as a percentage of covered payroll	888%	952%	864%	712%	549%	558%

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

Changes of assumptions and other inputs reflects the change in the discount rate from 2.14% to 3.54% at the current measurement date

WILLSBORO CENTRAL SCHOOL DISTRICT

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET) LIABILITY

Year Ended June 30, 2023

**NYSERS Pension Plan
Last 10 Fiscal Years***

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.00191111%	-0.00166111%	0.0018905%	0.0017736%	0.0018537%	0.0018766%	0.0018136%	0.0020480%	0.0022604%	
District's proportionate share of the net pension liability (asset)	\$ 409,814	\$ (135,788)	\$ 1,882	\$ 469,663	\$ 131,340	\$ 60,567	\$ 170,413	\$ 328,715	\$ 76,361	
District's covered- employee payroll	\$ 755,391	\$ 680,086	\$ 575,083	\$ 621,719	\$ 669,007	\$ 688,772	\$ 663,661	\$ 589,064	\$ 597,581	
Districts proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	54.25%	-19.97%	0.33%	75.54%	19.63%	8.79%	25.68%	55.80%	12.78%	
Plan fiduciary net position as a percentage of the total pension liability	90.78%	-103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%	

* The amounts presented for each fiscal year were determined as of 06/30

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available.

WILLSBORO CENTRAL SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS

Year Ended June 30, 2023

NYSERS Pension Plan
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 65,969	\$ 82,029	\$ 80,690	\$ 98,088	\$ 99,239	\$ 96,101	\$ 92,075	\$ 112,806	\$ 113,828	\$ 127,701
Contributions in relation to the contractually required contribution	\$ 65,969	\$ 82,029	\$ 80,690	\$ 98,088	\$ 99,239	\$ 96,101	\$ 92,075	\$ 112,806	\$ 113,828	\$ 127,701
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Districts covered-employee payroll	\$ 755,391	\$ 680,086	\$ 575,083	\$ 621,719	\$ 669,007	\$ 688,772	\$ 663,661	\$ 589,064	\$ 597,581	
Contributions as a percentage of covered employee payroll	8.73%	12.06%	14.03%	15.78%	14.83%	13.95%	13.87%	19.15%	19.05%	

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available.

WILLSBORO CENTRAL SCHOOL DISTRICT

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET) LIABILITY

Year Ended June 30, 2023

NYSTRS Pension Plan
Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.013498%	-0.014811%	0.015921%	-0.016165%	-0.016856%	-0.016860%	0.016683%	-0.016880%	-0.016803%	-0.016602%
District's proportionate share of the net pension liability (asset)	\$ 259,013	\$ (2,566,550)	\$ 439,937	\$ (419,973)	\$ (304,800)	\$ (128,151)	\$ 178,680	\$ (1,753,281)	\$ (1,871,733)	\$ (109,281)
District's covered- employee payroll	\$ 2,361,112	\$ 2,472,903	\$ 2,559,430	\$ 2,806,596	\$ 2,699,072	\$ 2,743,360	\$ 2,671,721	\$ 2,574,327	\$ 2,482,043	
Districts proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	10.97%	-103.79%	17.19%	-14.96%	-11.29%	-4.67%	6.69%	-68.11%	-75.41%	
Plan fiduciary net position as a percentage of the total pension liability (asset)	98.60%	-113.25%	97.76%	-102.17%	-101.53%	-100.66%	99.01%	-110.46%	-111.48%	

* The amounts presented for each fiscal year were determined as of 06/30

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available.

WILLSBORO CENTRAL SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS

Year Ended June 30, 2023

NYSTRS Pension Plan
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 234,339	\$ 238,596	\$ 239,422	\$ 286,552	\$ 269,073	\$ 313,126	\$ 341,356	\$ 444,488	\$ 403,332	\$ 287,926
Contributions in relation to the contractually required contribution	\$ 234,339	\$ 238,596	\$ 239,422	\$ 286,552	\$ 269,073	\$ 313,126	\$ 341,356	\$ 444,488	\$ 403,332	\$ 287,926
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Districts covered-employee payroll	\$ 2,361,112	\$ 2,472,903	\$ 2,559,430	\$ 2,806,596	\$ 2,699,072	\$ 2,743,360	\$ 2,671,721	\$ 2,574,327	\$ 2,482,043	
Contributions as a percentage of covered employee payroll	9.92%	9.65%	9.35%	10.21%	9.97%	11.41%	12.78%	17.27%		

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available.

BOULRICE & WOOD CPAS, P.C.

Certified Public Accountants

MICHAEL L. BOULRICE, CPA

STEPHEN P. WOOD, CPA

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

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

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

Report on Internal Control Over Financial Reporting

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

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

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

findings and responses as item 2023-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Willsboro Central School District's financial statements are free of 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 determination of financial statement amounts. 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 instances of noncompliance or other matters that are required to be reported under Government *Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2023-001.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Willsboro Central School District's response to the findings identified in our audit and described in the accompanying schedule of finding and responses. The Willsboro Central School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and accordingly we express no opinion on the response.

Purpose of this Report

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

Boulrice & Wood CPAs, PC

Boulrice & Wood, CPA'S PC
October 10, 2023

**WILLSBORO CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2023**

FINANCIAL STATEMENTS

Significant Deficiency

2023-001 Excess Fund Balance

Condition: The District's unassigned general fund balance was 9.15% of the 2023/2024 budget.

Effect: The District's unassigned general fund balance was 5.15%, or \$561,862, over the amount allowable by law.

Cause: Actual expenditures are significantly less than budgeted amounts.

Criteria: According to New York State Real Property Tax Law Section 1318, a district's unassigned fund balance may not exceed an amount equal to 4% of next year's budget.

Recommendation: We recommend the District keep this law in mind when preparing next year's budget.

View of Responsible Officials and Planned Corrective Action: Willsboro Central School District took a conservative approach to spending this school year due to the current economic climate. The State's strategy for treatment of fully funded/hold harmless districts is currently unknown and concerning to the district. The District has experienced an overall increase in the cost of doing business due to the following constraints: 1) Availability due to the supply & demand issues, as well as supply chain shortages are continuing to increase the cost of items needed for normal school year operations. 2) The rising cost of fuel and utilities has made a significant impact on actual expenses. 3) The District is experiencing a shortage of available labor, which is increasing costs due to overtime cost increases, and/or the need to hire vendors to supplement or supply labor services. 4) For the past several years, the District has had several high cost special education students including one residential placement who is being educated outside of New York State. The cost of the residential student alone makes up 21% of the fiscal year's program for students with disabilities. When adding in our high cost identified students that are educated at our local BOCES, it equates to 17% of the cost of the fiscal year's entire budget. Our Special Education Chairperson has addressed concerns for several of our high need students who are currently educated at our local BOCES and has identified that there is a potential for those students care to exceed that which the BOCES can provide, and may transition in the near future to residential placements as well. 5) Lastly, for the 2023-24 school year, all of the District's CBAs are up for negotiations and renewals which will ultimately have a larger impact on the impending budget and several future begets included in contracted years.

**WILLSBORO CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
JUNE 30, 2023**

Due to those highly unpredictable factors, the Board of Education and the District are comfortable with having a small excess unassigned fund balance in case of a major cost shift. The District did make an effort to shift the excess fund balance to a more acceptable level this fiscal year. Previously at the close of the 2021/22 fiscal year, the fund balance was 9.55%, and the District was able to make accommodations in the 2022/23 fiscal year to reduce the overall fund balance to 9.15%. The Board of Education plans to use its fund balance in future budgets to provide stability to taxpayers in a fiscally responsible manner during these unstable financial times.

BOULRICE & WOOD CPAS, P.C.

Certified Public Accountants

MICHAEL L. BOULRICE, CPA

STEPHEN P. WOOD, CPA

INDEPENDENT AUDITOR'S REPORT

To the School Board
Willsboro Central School District
Willsboro, New York

Opinions

We have audited the accompanying statements of assets, liabilities and fund balance – cash basis and the related statement of receipts, disbursements and ending balances – cash basis of the Extraclassroom Activity Funds of the Willsboro Central School District as of and for the year June 30, 2023, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance – cash basis of the Extraclassroom Activity Funds of the Willsboro Central School District as of June 30, 2023, and its receipts, disbursements and ending balances – cash basis thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis for Opinions

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

Emphasis of Matter—Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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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 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, 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 Willsboro Central School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Willsboro Central School District's ability to continue as a going concern for a reasonable period of time.

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

Boulrice & Wood CPAs, PC

Boulrice & Wood, CPA's PC
October 10, 2023

**WILLSBORO CENTRAL SCHOOL DISTRICT
EXTRACLASROOM ACTIVITY FUNDS**

**STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCES - CASH BASIS
June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash	\$ 34,147	\$ 32,687
Total Assets	<u><u>\$ 34,147</u></u>	<u><u>\$ 32,687</u></u>
FUND BALANCE		
Extraclassroom Activity	\$ 34,147	\$ 32,687
Total Fund Balance	<u><u>\$ 34,147</u></u>	<u><u>\$ 32,687</u></u>

See Notes to the Financial Statements – Extraclassroom Activity Fund

**WILLSBORO CENTRAL SCHOOL DISTRICT
EXTRACLASROOM ACTIVITY FUNDS**

**STATEMENTS OF CASH RECEIPTS, DISBURSEMENTS AND ENDING BALANCES - CASH BASIS
Year Ended June 30, 2023**

Activity	Balance June 30, 2022	Receipts	Disbursements	Balance June 30, 2023
Class of 2023	\$ 2,736	\$ 7,566	\$ 10,960	\$ (658)
Class of 2024	4,694	9,393	9,040	5,047
Class of 2025	2,939	4,375	-	7,314
Class of 2026	-	4,817	1,709	3,108
Culture Club	-	2,438	195	2,243
Band Boosters	151	1,549	1,386	314
Drama Club	1,941	-	-	1,941
Student Council	3,247	-	48	3,199
French Club	1,082	-	1,082	-
Key Club	882	753	1,023	612
JNHS	1,420	155	351	1,224
NHS	3,949	1,807	2,784	2,972
RSVP	4,755	602	2,668	2,689
Spanish Club	1,356	-	1,356	-
STEM Club	300	-	-	300
Yearbook	2,969	3,424	2,861	3,532
Interest Income	266	44	-	310
	<u>\$ 32,687</u>	<u>\$ 36,923</u>	<u>\$ 35,463</u>	<u>\$ 34,147</u>

See Notes to the Financial Statements – Extraclassroom Activity Fund

WILLSBORO CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Basis of Accounting: The books and records of the Extraclassroom Activity Funds are maintained on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this basis of accounting, revenues are recognized when cash is received and expenditures are recognized when cash is disbursed.

Basis of Presentation: The Extraclassroom Activity Funds of the Willsboro Central School District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the School with respect to its financial transactions and the designation of student management.

Cash Equivalents: For financial statement purposes all highly liquid investments having maturities of three months or less are considered as cash equivalents.