

Washingtonville Central School District, New York

Financial Statements and
Supplementary Information

Year Ended June 30, 2023

Washingtonville Central School District, New York

Table of Contents

	<u>Page No.</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	4
Basic Financial Statements	
District-Wide Financial Statements	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements	
Balance Sheet - Governmental Funds	16
Reconciliation of Governmental Funds Balance Sheet to the District-Wide Statement of Net Position	18
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	22
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	23
Notes to Financial Statements	24
Required Supplementary Information	
Other Postemployment Benefits	
Schedule of Changes in the School District's Total OPEB Liability and Related Ratios	54
New York State Teachers' Retirement System	
Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset)	55
Schedule of Contributions	55
New York State and Local Employees' Retirement System	
Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset)	56
Schedule of Contributions	56
Combining and Individual Fund Financial Statements and Schedules	
Major Governmental Funds	
General Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	57
Schedule of Revenues and Other Financing Sources Compared to Budget	58
Schedule of Expenditures and Other Financing Uses Compared to Budget	60
Capital Projects Fund	
Project Length Schedule	64
Non-Major Governmental Funds	
Combining Balance Sheet	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	67

Washingtonville Central School District, New York

Table of Contents (Concluded)

	<u>Page No.</u>
Supplementary Information	
Analysis of Change from Adopted Budget to Final Budget	68
Section 1318 of Real Property Tax Law Limit Calculation	68
Schedule of Net Investment in Capital Assets	69
Federal Programs	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	70
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	72
Schedule of Expenditures of Federal Awards	75
Notes to Schedule of Expenditures of Federal Awards	76
Schedule of Findings and Questioned Costs	77
Summary Schedule of Prior Audit Findings	79

Independent Auditors' Report

The Board of Education of the Washingtonville Central School District, New York

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents 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 the School District's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards 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 November 9, 2023 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

November 9, 2023

WASHINGTONVILLE CENTRAL SCHOOL DISTRICT, NEW YORK

Management's Discussion and Analysis
June 30, 2023

Introductory Section

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

Financial Highlights

Key financial highlights for fiscal year 2023 are as follows:

- Commencing in 2018, the School District implemented Governmental Accounting Standards Board ("GASB") Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*". The School District reported Other Postemployment Benefits ("OPEB") liabilities related to OPEB in the amount of \$290,481,129 and a deferred outflows of resources in the amount of \$49,375,702 and deferred inflows of resources in the amount of \$69,472,224.
- Commencing in 2015, with the adoption of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*", the negative impact of this liability (asset) is tempered by the positive overall impact of the deferred outflows of resources in excess of pension liabilities inclusive of the corresponding deferred inflows of resources in the amount of \$13,405,503.

Overview of the Financial Statements

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

- The first two statements are ***District-Wide Financial Statements*** that provide both *short-term* and *long-term* information about the School District's *overall* financial status.
- The remaining statements are ***Fund Financial Statements*** that focus on *individual parts* of the School District, reporting the School District's operations in *more detail* than the district-wide statements. The fund financial statements concentrate on the School District's most significant funds with all other non-major funds listed in total in one column.
- The ***Governmental Funds Statements*** tell how basic services such as regular and special education were financed in the *short term* as well as what remains for future spending.
- ***Fiduciary Funds Statements*** provide information about the financial relationships in which the School District acts solely as a *trustee* or *agent* for the benefit of others.

WASHINGTONVILLE CENTRAL SCHOOL DISTRICT, NEW YORK

Management's Discussion and Analysis (Continued)
June 30, 2023

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 School District's budget for the year.

The figure below shows how the various sections of this annual report are arranged and related to one another.

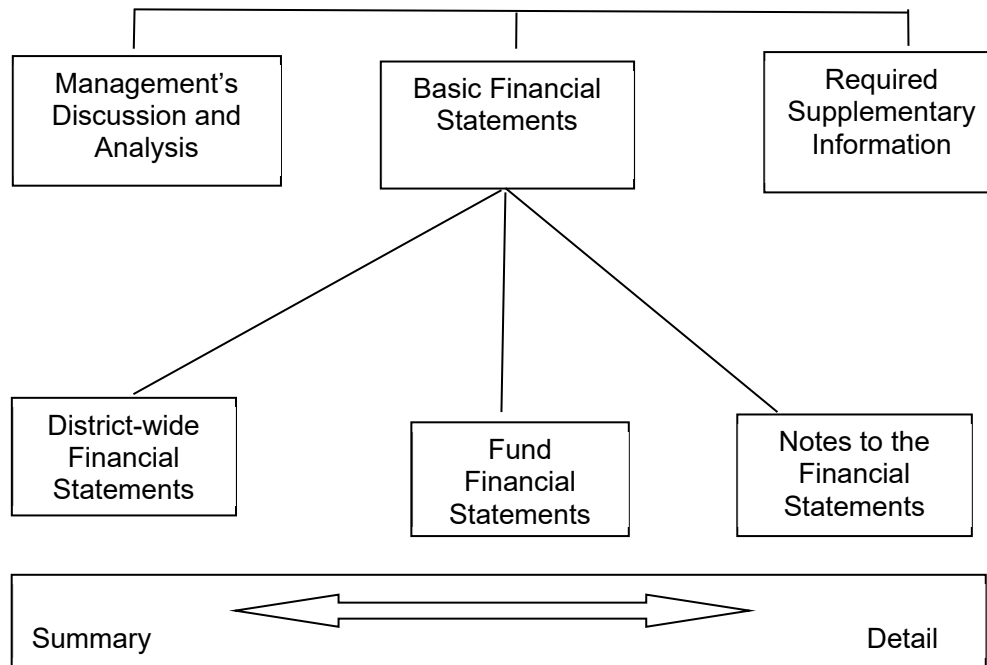


Figure A-2 summarizes the major features of the School District's financial statements, including the portion of the School District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

WASHINGTONVILLE CENTRAL SCHOOL DISTRICT, NEW YORK

Management’s Discussion and Analysis (Continued)
June 30, 2023

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

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education, cafeteria and transportation expenses.	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies.
Required financial statements	Statement of Net Position Statement of Activities	Balance sheet Statement of revenues, expenditures, and changes in fund balances	Statement of fiduciary net position Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/ liability/ deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources (if any) both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

District-Wide Statements

The district-wide statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the School District’s assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year’s revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two district-wide statements report the School District’s *net position* and how it has changed. A net position – the difference between the School District’s assets, deferred outflows of resources, liabilities and deferred inflows of resources – is one way to measure the School District’s financial health or *position*.

WASHINGTONVILLE CENTRAL SCHOOL DISTRICT, NEW YORK

Management's Discussion and Analysis (Continued) June 30, 2023

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

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

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

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

Fund Financial Statements

The fund financial statements provide more detailed information about the School District's funds, focusing on its most significant or "major" funds – not the School District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The School District establishes other funds to control and manage money for particular purposes (such as a fund for scholarship monies) or to show that it is properly using certain revenues (such as federal grants).

The School District maintains governmental funds and fiduciary funds:

- ***Governmental Funds:*** Most of the School District's basic services are included in the governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.

WASHINGTONVILLE CENTRAL SCHOOL DISTRICT, NEW YORK

Management's Discussion and Analysis (Continued)
June 30, 2023

- *Fiduciary Funds:* The School District maintains only one type of fiduciary fund that is known as a Custodial Fund. The Custodial Fund reports resources, not in a trust, that are held by the School District for other parties outside of the School District's reporting entity and, in the case of the School District, primarily to account for property taxes collected for other governments.

District-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the School District's financial position. In the case of the Washingtonville Central School District, New York, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$212,081,203 at the close of the current fiscal year.

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>\$ Change</u>	<u>% Change</u>
Current Assets	\$ 47,254,392	\$ 45,199,110	\$ 2,055,282	4.55%
Net Pension Asset	-	36,680,940	(36,680,940)	-100.00%
Capital Assets, net	<u>103,998,849</u>	<u>104,047,548</u>	<u>(48,699)</u>	<u>-0.05%</u>
Total Assets	<u>151,253,241</u>	<u>185,927,598</u>	<u>(34,674,357)</u>	<u>-18.65%</u>
Deferred Outflows of Resources	<u>74,286,986</u>	<u>76,879,319</u>	<u>(2,592,333)</u>	<u>-3.37%</u>
Current Liabilities	6,250,864	7,286,503	(1,035,639)	-14.21%
Long-term Liabilities	<u>359,482,274</u>	<u>404,321,176</u>	<u>(44,838,902)</u>	<u>-11.09%</u>
Total Liabilities	<u>365,733,138</u>	<u>411,607,679</u>	<u>(45,874,541)</u>	<u>-11.15%</u>
Deferred Inflows of Resources	<u>71,888,292</u>	<u>56,836,486</u>	<u>15,051,806</u>	<u>26.48%</u>
Net Position				
Net Investment in Capital Assets	50,906,443	52,301,800	(1,395,357)	-2.67%
Restricted	18,125,455	57,852,169	(39,726,714)	-68.67%
Unrestricted	<u>(281,113,101)</u>	<u>(315,791,217)</u>	<u>34,678,116</u>	<u>-10.98%</u>
Total Net Position (deficit)	<u>\$ (212,081,203)</u>	<u>\$ (205,637,248)</u>	<u>\$ (6,443,955)</u>	<u>3.13%</u>

By far, the largest component unit of the School District's net position reflects its investment in capital assets of \$50,906,443 (24% of the total). Although the School District's investment in its capital assets, is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Those assets subject to external restrictions constitute 8.55% of total net position or \$18,125,455. The remaining balance of net position is unrestricted net position of \$(281,113,101), which represents an increase of \$34,678,116.

WASHINGTONVILLE CENTRAL SCHOOL DISTRICT, NEW YORK

Management's Discussion and Analysis (Continued)
June 30, 2023

Governmental Activities/Changes in Net Position

	June 30, 2023	June 30, 2022	\$ Change	% Change
REVENUES				
Program Revenues				
Charges for Services	\$ 1,888,133	\$ 637,889	1,250,244	196.00%
Operating Grants and Contributions	7,357,993	7,255,907	102,086	1.41%
Total Program Revenues	<u>9,246,126</u>	<u>7,893,796</u>	1,352,330	17.13%
General Revenues				
Real Property Taxes	58,311,466	56,836,642	1,474,824	2.59%
Other Tax Items	66,896	177,717	(110,821)	-62.36%
Non-Property Taxes	3,578,642	3,965,133	(386,491)	-9.75%
Unrestricted Use of Money and Property	1,216,356	60,701	1,155,655	1903.85%
Sale of Property and Compensation for Loss	145,865	101,437	44,428	43.80%
Unrestricted State Aid	44,241,575	42,677,687	1,563,888	3.66%
Miscellaneous	1,430,107	1,226,809	203,298	16.57%
Total General Revenues	<u>108,990,907</u>	<u>105,046,126</u>	3,944,781	3.76%
Total Revenues	<u>118,237,033</u>	<u>112,939,922</u>	5,297,111	4.69%
PROGRAM EXPENSES				
General Support	13,647,574	7,263,037	6,384,537	87.90%
Instruction	93,905,107	97,053,285	(3,148,178)	-3.24%
Pupil Transportation	13,809,335	10,727,612	3,081,723	28.73%
Cost of food sales	2,080,508	1,859,365	221,143	11.89%
Other	249,694	2,589,985	(2,340,291)	-90.36%
Interest	1,473,110	1,784,832	(311,722)	-17.47%
Total Expenses	<u>125,165,328</u>	<u>121,278,116</u>	3,887,212	3.21%
Change in Net Position	(6,928,295)	(8,338,194)	1,409,899	-16.91%
NET POSITION				
Beginning, as Restated	<u>(205,152,908)</u>	<u>(197,299,054)</u>	(7,853,854)	3.98%
Ending	<u>\$ (212,081,203)</u>	<u>\$ (205,637,248)</u>	(6,443,955)	3.13%

Changes in Net Position

The School District's 2023 revenue was \$118,237,033. Property taxes and New York State aid accounted for the majority of revenue by contributing 49.32% and 37.42%, respectively, of the total revenue raised. The remainder of revenue came from charges for services, operating grants and contributions, nonproperty taxes, other tax items, federal sources, and other miscellaneous sources.

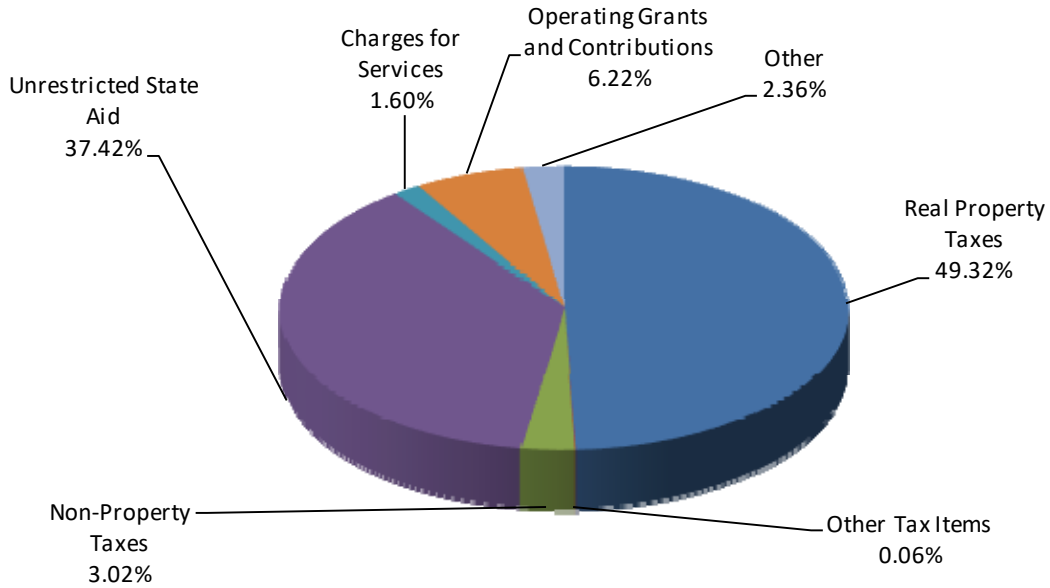
The total cost of all programs and services totaled \$125,165,328. For these expenses, (75.02%) are predominately for the education; supervision, school lunch program, and transportation of students. The School District's administrative and business activities, including debt service accounted for 12.08% of total costs.

Net position decreased during the year by \$6,928,295.

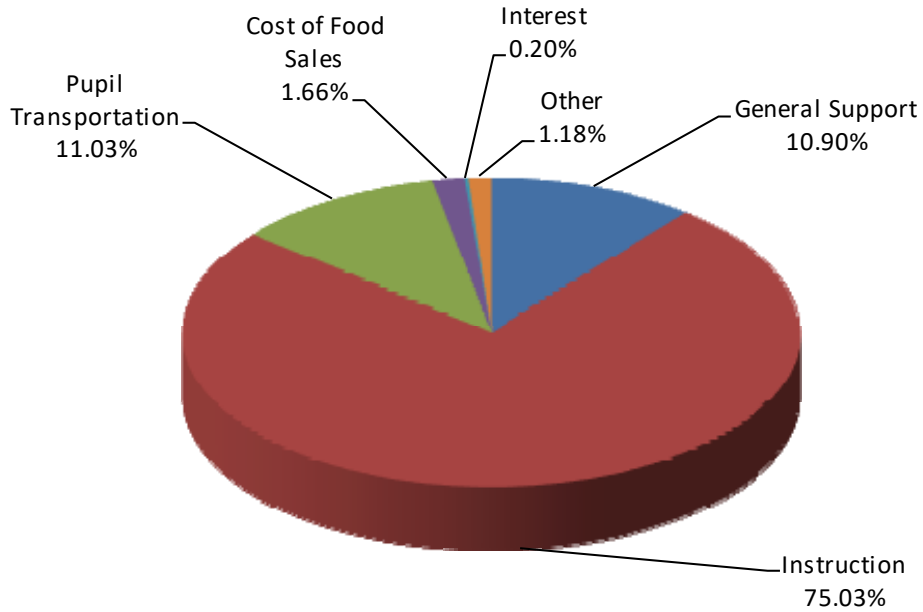
WASHINGTONVILLE CENTRAL SCHOOL DISTRICT, NEW YORK

Management's Discussion and Analysis (Continued)
June 30, 2023

Sources of Revenue for Fiscal Year 2023
Governmental Activities



Expenses for Fiscal Year 2023 Governmental Activities



The table below presents the cost of six major School District activities: general support, instruction, pupil transportation, cost of food sales, other and interest expense. The table also shows each activity's net cost (total cost less fees generated by the activities and

WASHINGTONVILLE CENTRAL SCHOOL DISTRICT, NEW YORK

Management's Discussion and Analysis (Continued)
June 30, 2023

intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the School District's taxpayers by each of these functions:

	Total Cost of Services			Net Cost of Services		
	2023	2022	% Change	2023	2022	% Change
General support	\$ 13,647,574	\$ 7,263,037	87.90%	\$ (13,431,228)	\$ (12,760,958)	5.25%
Instruction	93,905,107	97,053,285	-3.24%	(87,285,891)	(86,733,120)	0.64%
Pupil transportation	13,809,335	10,727,612	28.73%	(13,809,335)	(12,564,973)	9.90%
Cost of food sales	2,080,508	1,859,365	11.89%	52,847	459,563	-88.50%
Other	249,694	2,589,985	-90.36%	26,695	3,341	699.01%
Interest	1,473,110	1,784,832	-17.47%	(1,472,290)	(1,784,832)	-17.51%
	<u>\$ 125,165,328</u>	<u>\$ 121,278,116</u>	3.21%	<u>\$ (115,919,202)</u>	<u>\$ (113,380,979)</u>	2.24%

Financial Analysis of the School District's Funds

The financial performance of the School District as a whole is reflected in its governmental funds. As the School District completed the year, its governmental funds reported combined fund balances of \$37,135,896; a \$2,703,584 increase from last year's ending fund balances, as restated, of \$34,432,312.

As discussed, the School District's governmental funds are reported in the fund financial statements with a modified accrual basis that uses a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements. The major governmental funds of the School District consist of the General Fund, Special Aid Fund and Capital Projects Fund. The total fund balances allocated between nonspendable, restricted, assigned and unassigned fund balance for each major fund and non-major funds are as follows:

	June 30, 2023				
	Nonspendable	Restricted	Assigned	Unassigned	Total
General	\$ 705,792	\$ 20,217,063	\$ 4,893,780	\$ 6,143,269	\$ 31,959,904
Capital Projects	-	3,536,992	-	-	3,536,992
School Lunch	29,756	-	418,818	-	448,574
Special Purpose	-	272,880	-	-	272,880
Debt Service	-	917,546	-	-	917,546
	<u>\$ 735,548</u>	<u>\$ 24,944,481</u>	<u>\$ 5,312,598</u>	<u>\$ 6,143,269</u>	<u>\$ 37,135,896</u>
	June 30, 2022				
	Nonspendable	Restricted	Assigned	Unassigned	Total
General	\$ -	\$ 17,509,769	\$ 6,605,878	\$ 6,017,317	\$ 30,132,964
Special Aid	-	-	-	(206,292)	(206,292)
Capital Projects	-	2,440,276	-	-	2,440,276
School Lunch	73,568	304,458	-	-	378,026
Special Purpose	-	246,185	-	-	246,185
Debt Service	-	916,726	-	-	916,726
	<u>\$ 73,568</u>	<u>\$ 21,417,414</u>	<u>\$ 6,605,878</u>	<u>\$ 5,811,025</u>	<u>\$ 33,907,885</u>

WASHINGTONVILLE CENTRAL SCHOOL DISTRICT, NEW YORK

Management's Discussion and Analysis (Continued)
June 30, 2023

Governmental Funds Highlights

The following is a brief description of the activity in the governmental funds for 2023:

- General Fund – The School District revenues increased due to an increase in State Aid of \$4.7M, an increase in interest earned of \$1.2M, and an increase in BOCES refund of \$360,000. The positive net change in Fund Balance was \$1.5M.
- Special Aid Fund – Revenues decreased approximately \$750,000 primarily due to the reductions in Federal Stimulus funding.
- Capital Projects Fund – The School District invested \$3.2M, of which \$2.7M being invested towards purchasing energy efficient equipment and/or to upgrade existing facilities to enhance performance. The current year revenues consisted primarily of energy performance contracts proceeds and transfers in.
- School Lunch Fund – The Food Service Fund is continuing to provide students with a high-quality selection of food while being fiscally sound. The positive net change in Fund Balance was \$70,548.
- Debt Service Fund – The ending fund balance was \$917,546. Revenues exceeded expenditures by \$820.

General Fund Budgetary Highlights

The original budget for the General Fund was revised by \$244,722 during the year. The supplemental appropriations consisted mostly of the use of the property loss and liability reserve.

In the General Fund for the year ended June 30, 2023, actual revenues were greater than revised budgeted revenues by \$3,611,083 (3.37%). Revenue sources most significantly greater than the budgeted amount were in the earnings on investments and state aid. Actual expenditures and encumbrances were less than the revised budgeted expenditures by \$8,111,036 (6.84%). The most significant unencumbered balances related to central services, teaching – regular schools, programs for students with disabilities and pupil transportation.

For the 2023-2024 school year, the School District appropriated \$3,750,000 of fund balance to reduce the tax levy.

Capital Assets and Debt Administration

Capital Assets, Net

As of June 30, 2023, the School District had \$103,998,849 invested in buildings, computers, and other educational equipment.

WASHINGTONVILLE CENTRAL SCHOOL DISTRICT, NEW YORK

Management's Discussion and Analysis (Continued)
June 30, 2023

The overall capital assets as of June 30, 2023, are given below.

Class	June 30,	
	2023	2022, restated
Land	\$ 6,891,876	\$ 6,891,876
Construction-in-Progress	-	62,994,524
Buildings and Improvements	91,004,258	27,559,407
Furniture and Equipment	1,324,796	1,595,969
Vehicles	4,550,164	4,552,581
Right-to-use leased equipment	227,755	166,920
Total Capital Assets, net of Accumulated depreciation	<u>\$ 103,998,849</u>	<u>\$ 103,761,277</u>

Long-Term Debt

As of June 30, 2023, the School District had \$53,921,047 in general obligation and other long-term debt outstanding. More detailed information about the School District's long-term debt is included in the notes to the financial statements.

	June 30,	
	2023	2022
Bonds Payable, net	\$ 46,763,778	\$ 51,375,742
Energy Performance Contract Payable	6,926,046	4,714,326
Leases Payable	231,223	168,086
Total	<u>\$ 53,921,047</u>	<u>\$ 56,258,154</u>

Bond Ratings

Moody's Investors Service ("Moody's") has assigned a ratings of "AA" to outstanding uninsured bonds of the School District. This rating reflects only the view of such rating agency and an explanation of the significance of such rating should be obtained from Moody's Investors Service. There can be no assurance that such rating will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any change or withdrawal of such rating may have an adverse effect on the market price of the Notes or the availability of a secondary market for the Notes.

Contacting the School District's Financial Management

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it received. If you have any questions about this report or need additional financial information, contact Sandra Clohessy, Assistant Superintendent for Business, at the School District's business offices at the School's Business Offices at 52 West Main Street, Washingtonville, New York 10992.

Washingtonville Central School District, New York

Statement of Net Position
June 30, 2023

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 23,493,915
Investments	10,072,303
Receivables	
Accounts	198,879
State and Federal aid	8,079,019
Due from other governments, net	1,379,770
Prepaid expenses	750
Inventories	29,756
Notes receivable	4,000,000
Capital assets	
Not being depreciated	6,891,876
Being depreciated/amortized, net	<u>97,106,973</u>
Total Assets	<u>151,253,241</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding bonds	3,532
Pension related	24,907,752
OPEB related	<u>49,375,702</u>
Total Deferred Outflows of Resources	<u>74,286,986</u>
LIABILITIES	
Accounts payable	360,041
Accrued liabilities	559,838
Due to other governments	396,849
Due to retirement systems	4,506,543
Unearned revenues	295,225
Accrued interest payable	132,368
Non-current liabilities	
Due within one year	5,286,148
Due in more than one year	<u>354,196,126</u>
Total Liabilities	<u>365,733,138</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	2,416,068
OPEB related	<u>69,472,224</u>
Deferred Inflows of Resources	<u>71,888,292</u>
NET POSITION	
Net investment in capital assets	50,906,443
Restricted	
Future capital projects	3,000,000
Capital projects	2,711,883
Workers' compensation benefits	900,234
Unemployment	49,437
Tax certiorari	542,843
ERS Retirement contribution	5,137,132
TRS Retirement contribution	2,850,516
Insurance	646,375
Property loss and liability	1,096,609
Debt service	917,546
Special purposes	
Extraclassroom activities	129,072
Other	143,808
Unrestricted	<u>(281,113,101)</u>
Total Net Position	<u>\$ (212,081,203)</u>

The notes to financial statements are an integral part of this statement.

Washingtonville Central School District, New York

Statement of Activities
Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
General support	\$ 13,647,574	\$ 216,346	\$ -	\$ -
Instruction	93,905,107	360,235	6,258,981	-
Pupil transportation	13,809,335	-	-	-
Cost of food sales	2,080,508	1,034,343	1,099,012	-
Other	249,694	276,389	-	-
Interest	1,473,110	820	-	-
Total Governmental Activities	\$ 125,165,328	\$ 1,888,133	\$ 7,357,993	\$ -
General revenues				
Real property taxes				58,311,466
Other tax items				
Payments in lieu of taxes				66,896
School tax relief reimbursement				3,578,642
Unrestricted use of money and property				1,216,356
Sale of property and compensation for loss				145,865
Unrestricted State aid				44,241,575
Miscellaneous				1,430,107
Total General Revenues				108,990,907
Change in Net Position				<u>(6,928,295)</u>
Net Position - Beginning, as Reported				(205,637,248)
Prior Period Adjustment				<u>484,340</u>
Net Position - Beginning, as Restated				<u>(205,152,908)</u>
Net Position - Ending				<u>\$ (212,081,203)</u>

The notes to financial statements are an integral part of this statement.

Washingtonville Central School District, New York

Balance Sheet
 Governmental Funds
 June 30, 2023

	General	Special Aid	Capital Projects
ASSETS			
Cash and equivalents	\$ 19,304,002	\$ 240,873	\$ 2,064,221
Investments	10,072,303	-	-
Receivables			
Accounts	193,539	-	-
State and Federal aid	1,915,067	6,090,647	-
Due from other governments, net	1,379,770	-	-
Due from other funds	5,683,540	-	1,472,771
Advances to other funds	705,042	-	-
Prepaid expenditures	750	-	-
Inventories	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 39,254,013</u>	<u>\$ 6,331,520</u>	<u>\$ 3,536,992</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 351,476	\$ 8,565	\$ -
Accrued liabilities	548,115	10,626	-
Due to other funds	1,472,771	5,524,303	-
Advances from other funds	-	705,042	-
Due to other governments	396,410	-	-
Due to retirement systems	4,506,543	-	-
Unearned revenues	18,794	82,984	-
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>7,294,109</u>	<u>6,331,520</u>	<u>-</u>
Fund balances			
Nonspendable	705,792	-	-
Restricted	20,217,063	-	3,536,992
Assigned	4,893,780	-	-
Unassigned	6,143,269	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>31,959,904</u>	<u>-</u>	<u>3,536,992</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 39,254,013</u>	<u>\$ 6,331,520</u>	<u>\$ 3,536,992</u>

The notes to financial statements are an integral part of this statement.

Non-Major Governmental	Total Governmental Funds
\$ 1,884,819	\$ 23,493,915
-	10,072,303
5,340	198,879
73,305	8,079,019
-	1,379,770
-	7,156,311
-	705,042
-	750
29,756	29,756
\$ 1,993,220	\$ 51,115,745

\$ -	\$ 360,041
1,097	559,838
159,237	7,156,311
-	705,042
439	396,849
-	4,506,543
193,447	295,225
354,220	13,979,849

29,756	735,548
1,190,426	24,944,481
418,818	5,312,598
-	6,143,269
1,639,000	37,135,896
\$ 1,993,220	\$ 51,115,745

Washingtonville Central School District, New York

Reconciliation of Governmental Funds Balance Sheet to the District-Wide Statement of Net Position June 30, 2023

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because

Total Fund Balances - Governmental Funds	\$ 37,135,896
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	6,891,876
Capital assets - depreciable/amortizable	132,746,476
Accumulated depreciation/amortization	<u>(35,639,503)</u>
	<u>103,998,849</u>
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	24,907,752
Deferred outflows - OPEB related	49,375,702
Deferred inflows - pension related	(2,416,068)
Deferred inflows - OPEB related	<u>(69,472,224)</u>
	<u>2,395,162</u>
Other long-term assets are not available to pay for current-period expenditures and, therefore, are either deferred or not reported in the funds.	
Notes receivables	<u>4,000,000</u>
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
General obligation bonds payable	(46,605,000)
Energy performance contract payable	(6,926,046)
Leases payable	(231,223)
Compensated absences	(5,993,917)
Net pension liability - ERS	(5,188,606)
Net pension liability - TRS	(3,897,575)
Total OPEB liability	(290,481,129)
Accrued interest payable	<u>(132,368)</u>
	<u>(359,455,864)</u>
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Deferred charge on refunding bonds	3,532
Premium on general obligation bonds	<u>(158,778)</u>
	<u>(155,246)</u>
Net Position of Governmental Activities	<u>\$ (212,081,203)</u>

The notes to financial statements are an integral part of this statement.

Washingtonville Central School District, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2023

	General	Special Aid	Capital Projects
REVENUES			
Real property taxes	\$ 58,311,466	\$ -	\$ -
Other tax items	3,711,037	-	-
Charges for services	860,235	-	-
Use of money and property	1,234,411	-	-
Sale of property and compensation for loss	145,865	-	-
State aid	44,763,811	1,609,299	-
Federal aid	190,170	3,937,276	-
Food sales	-	-	-
Miscellaneous	1,562,899	-	-
Total Revenues	<u>110,779,894</u>	<u>5,546,575</u>	<u>-</u>
EXPENDITURES			
Current			
General support	9,627,800	-	-
Instruction	52,377,741	4,792,491	-
Pupil transportation	10,699,967	661,230	-
Employee benefits	27,714,242	716,780	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service			
Principal	4,981,415	-	-
Interest	1,649,092	-	-
Capital outlay	-	-	3,187,327
Total Expenditures	<u>107,050,257</u>	<u>6,170,501</u>	<u>3,187,327</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,729,637</u>	<u>(623,926)</u>	<u>(3,187,327)</u>
OTHER FINANCING SOURCES (USES)			
Energy performance contracts issued	-	-	2,494,828
Leases issued	-	-	216,444
Transfers in	-	623,926	1,572,771
Transfers out	(2,220,832)	-	-
Total Other Financing Sources (Uses)	<u>(2,220,832)</u>	<u>623,926</u>	<u>4,284,043</u>
Net Change in Fund Balances	<u>1,508,805</u>	<u>-</u>	<u>1,096,716</u>
FUND BALANCES			
Beginning of Year, as Reported	30,132,965	(206,292)	2,440,276
Prior Period Adjustment	318,134	206,292	-
Beginning of Year, as Restated	<u>30,451,099</u>	<u>-</u>	<u>2,440,276</u>
End of Year	<u>\$ 31,959,904</u>	<u>\$ -</u>	<u>\$ 3,536,992</u>

The notes to financial statements are an integral part of this statement.

Non-Major Governmental	Total Governmental Funds
\$ -	\$ 58,311,466
-	3,711,037
-	860,235
982	1,235,393
-	145,865
37,748	46,410,858
1,061,264	5,188,710
1,006,517	1,006,517
304,053	1,866,952
2,410,564	118,737,033
-	9,627,800
-	57,170,232
-	11,361,197
243,983	28,675,005
1,842,959	1,842,959
249,694	249,694
-	4,981,415
-	1,649,092
-	3,187,327
2,336,636	118,744,721
73,928	(7,688)
-	2,494,828
-	216,444
24,135	2,220,832
-	(2,220,832)
24,135	2,711,272
98,063	2,703,584
1,294,752	33,661,701
246,185	770,611
1,540,937	34,432,312
\$ 1,639,000	\$ 37,135,896

Washingtonville Central School District, New York

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2023

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 2,703,584</u>
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.</p>	
Capital outlay expenditures	4,019,287
Depreciation/amortization expense	<u>(3,781,715)</u>
	<u>237,572</u>
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Revenue from the Moffat Library of Washingtonville	<u>(500,000)</u>
<p>Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas, these amounts are deferred and amortized on the statement of activities.</p>	
Energy performance contract issued	(2,494,828)
Leases issued	(216,444)
Principal paid on general obligation bonds	4,545,000
Principal paid on energy performance contract	283,108
Principal paid on leases	<u>153,307</u>
	<u>2,270,143</u>
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Compensated absences	(998,674)
Changes in pension liabilities and related deferred outflows and inflows of resources	(2,258,291)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(8,558,611)
Accrued interest	116,726
Amortization of premium and loss on refunding bonds	<u>59,256</u>
	<u>(11,639,594)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (6,928,295)</u></u>

The notes to financial statements are an integral part of this statement.

Washingtonville Central School District, New York

Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 58,297,831	\$ 58,297,831	\$ 58,311,466	\$ 13,635
Other tax items	3,755,888	3,755,888	3,711,037	(44,851)
Charges for services	648,750	648,750	860,235	211,485
Use of money and property	50,000	50,000	1,234,411	1,184,411
Sale of property and compensation for loss	20,000	20,000	145,865	125,865
State aid	43,013,923	43,013,923	44,763,811	1,749,888
Federal aid	80,000	80,000	190,170	110,170
Miscellaneous	500,000	502,419	1,562,899	1,060,480
Total Revenues	<u>106,366,392</u>	<u>106,368,811</u>	<u>110,779,894</u>	<u>4,411,083</u>
EXPENDITURES				
Current				
General support	10,757,004	11,494,029	9,627,800	1,866,229
Instruction	58,510,205	58,234,803	52,377,741	5,857,062
Pupil transportation	11,839,449	11,746,010	10,699,967	1,046,043
Employee benefits	30,465,555	28,173,858	27,714,242	459,616
Debt service				
Principal	4,828,109	4,981,416	4,981,415	1
Interest	1,595,861	1,649,092	1,649,092	-
Total Expenditures	<u>117,996,183</u>	<u>116,279,208</u>	<u>107,050,257</u>	<u>9,228,951</u>
Excess of Revenues Over Expenditures	<u>(11,629,791)</u>	<u>(9,910,397)</u>	<u>3,729,637</u>	<u>13,640,034</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	800,000	800,000	-	(800,000)
Transfers out	(285,000)	(2,246,697)	(2,220,832)	25,865
Total Other Financing Sources (Uses)	<u>515,000</u>	<u>(1,446,697)</u>	<u>(2,220,832)</u>	<u>(774,135)</u>
Net Change in Fund Balance	<u>(11,114,791)</u>	<u>(11,357,094)</u>	<u>1,508,805</u>	<u>12,865,899</u>
FUND BALANCE				
Beginning of Year, as Restated	<u>11,114,791</u>	<u>11,357,094</u>	<u>30,451,099</u>	<u>19,094,005</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,959,904</u>	<u>\$ 31,959,904</u>

The notes to financial statements are an integral part of this statement.

Washingtonville Central School District, New York
 Statement of Changes in Fiduciary Net Position
 Fiduciary Fund
 June 30, 2023

	Private Purpose Trust Fund	Custodial Fund
	<u> </u>	<u> </u>
ADDITIONS		
Real property taxes collected for other governments	\$ -	\$ 2,007,339
DEDUCTIONS		
Payments of real property taxes to other governments	<u>-</u>	<u>2,007,339</u>
Net Change in Fiduciary Net Position	<u>-</u>	<u>-</u>
NET POSITION		
Beginning of Year, as Reported	60,662	185,523
Prior Period Adjustment	<u>(60,662)</u>	<u>(185,523)</u>
Beginning of Year, as Restated	<u>-</u>	<u>-</u>
End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The notes to financial statements are an integral part of this statement.

Washingtonville Central School District, New York

Notes to Financial Statements
June 30, 2023

Note 1 - Summary of Significant Accounting Policies

The Washingtonville Central School District, New York ("School District"), as presently constituted, operates in accordance with the provisions of the Education Law of the State of New York. The Board of Education is the legislative body responsible for overall operation of the School District and is elected by the voters of the School District. The Superintendent serves as the chief executive officer. The School District's primary function is to provide education for its pupils. Services such as transportation of pupils, administration, finance and plant maintenance support the primary function.

The financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The School District's significant accounting policies are described below:

A. Financial Reporting Entity

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

In evaluating how to define the School District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the School District's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, there are no other entities which would be included in the financial statements.

The School District participates in the Orange Ulster County Board of Cooperative Educational Services ("BOCES"). BOCES is a voluntary cooperative association of school districts in a geographic area that share planning, services and programs, which provide education and support services. BOCES' governing board is elected based on the vote of members of the participating districts' governing boards. BOCES' budget is comprised of separate budgets for administrative, program and capital costs. BOCES charges the districts for program costs based on participation and for administrative and capital costs. Each component school district's share of administrative and capital costs is determined by the ratio by which the component school district's full value of taxable properties in effect at the time of adoption bears to the total full value of taxable properties of the component school districts within the BOCES as defined by Education Law. Copies of BOCES' financial statements can be requested from the BOCES administrative office at 53 Gibson Road, Goshen, New York 10924.

B. District-Wide Financial Statements

The district-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the School District as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Statement of Net Position presents the financial position of the School District at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The School District does not allocate indirect expenses to functions in the Statement of Activities.

While separate district-wide and fund financial statements are presented, they are interrelated. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter is excluded from the district-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Fund Financial Statements

The accounts of the School District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The School District maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the district-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the district-wide presentation. The School District's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

- a. Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following represents the School District's major governmental funds.

General Fund - The General Fund constitutes the primary operating fund of the School District and is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects.

Note 1 - Summary of Significant Accounting Policies (Continued)

The major special revenue fund of the School District is the Special Aid Fund. The Special Aid Fund is used to account for special projects or programs supported in whole or in part with Federal or State Funds. The major revenues of this fund are Federal and State aid.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

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

Special Revenue Funds:

School Lunch Fund - The School Lunch Fund is used to record the operations of the breakfast and lunch programs of the School District.

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the School District in accordance with grantor or contributor stipulations. Among the activities included in the Special Purpose Fund are extraclassroom activity funds.

Debt Service Fund - The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years.

- b. Fiduciary Fund (Not Included in District-Wide Financial Statements) - Fiduciary Funds are used to account for assets held by the School District on behalf of others. In accordance with the provisions of GASB Statement No. 84, "*Fiduciary Activities*", the School District maintains only one type of fiduciary fund that is known as a Custodial Fund. The Custodial Fund reports resources, not in a trust, that are held by the School District for other parties outside of the School District's reporting entity and, in the case of the School District, primarily to account for real property taxes collected for other governments.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

The district-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the Fiduciary Fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Note 1 - Summary of Significant Accounting Policies (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenue when the expenditure is made and the amounts are expected to be collected within one year of the fiscal year end. A ninety-day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to judgments and claims, compensated absences, net pension liability and other postemployment benefit liability are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt are reported as other financing sources.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from date of acquisition.

The School District's deposits and investment policies are governed by State statutes. The School District has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The School District is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The School District has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The School District follows the provisions of GASB Statement No. 72, "*Fair Value Measurement and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Note 1 - Summary of Significant Accounting Policies (Continued)

The School District participates in the Cooperative Liquid Assets Securities System ("CLASS"), a cooperative investment pool, established pursuant to Articles 3A and 5G of General Municipal Law of the State of New York. CLASS has designated Public Trust Advisors, LLC as its registered investment advisor. Public Trust Advisors, LLC is registered with the Securities and Exchange Commission ("SEC"), and is subject to all of the rules and regulations of an investment advisor handling public funds. As such, the SEC provides regulatory oversight of CLASS.

The pool is authorized to invest in various securities issued by the United States and its agencies, obligations of the State of New York and repurchase agreements. These investments are reported at fair value. CLASS issues separately available audited financial statements with a year end of June 30th.

The School District's position in the pool in the amount of \$10,072,303 is equal to the value of the pool shares. The maximum maturity for any specific investment in the portfolio is 397 days. Additional information concerning the cooperative is presented in the annual report of CLASS, which may be obtained from Public Trust Advisors, LLC, 717 17th Street, Suite 1850, Denver, CO 80202.

CLASS is rated AAAM by Standard and Poor's Rating Service. Local government investment cooperatives in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principal. CLASS invests in a high quality portfolio of investments legally permissible for municipalities and school districts in the State.

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the School District does not invest in any long-term investment obligations.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name. The School District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2023.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The School District does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Washingtonville Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 1 - Summary of Significant Accounting Policies (Continued)

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The School District's investment policy limits the amount on deposit at each of its banking institutions.

Property Taxes Receivable - Real property taxes attach as an enforceable lien on real property as of August 16th and are levied and payable in September. Taxes are collected during the period commencing September 1st and ending November 2nd. Uncollected real property taxes are subsequently enforced by the County. An amount representing uncollected real property taxes transmitted to the County for enforcement is paid by the County to the School District no later than the forthcoming April 1st.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the School District. Receivables are recorded and revenues recognized as earned or as specific program expenses/expenditures are incurred. Allowances are recorded when appropriate.

Due From/To Other Funds - During the course of its operations, the School District has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2023, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Advances From/To Other Funds - Advances from/to other funds represent loans to other funds, which are not expected to be repaid within the subsequent annual operating cycle. The advances are offset by nonspendable fund balance in the fund financial statements, which indicates that the funds are not "available" for appropriation and are not expendable available financial resources.

Inventories - Inventories in the School Lunch Fund consist of surplus food, at a stated value which approximates market. These inventories consist primarily of items held for consumption. The cost is recorded as inventory at the time individual inventory items are received. The School District uses the consumption method to relieve inventory. In the fund financial statements, reported amounts are equally offset by nonspendable fund balance, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Notes Receivable - The School District holds a receivable from the Moffat Library of Washingtonville for the amount of outstanding debt related to the financing of the new library. The value of the receivable at June 30, 2023 of \$4,000,000 has been reported as a note receivable in the district-wide financial statements.

Capital Assets - Capital assets are tangible and intangible assets, which include property, plant and equipment, and are reported in the governmental activities column in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets (except intangible right-to-use assets, which is discussed in Note 3B) are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible assets and are reported with tangible assets in the appropriate capital asset class.

Washingtonville Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 1 - Summary of Significant Accounting Policies (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Land and construction-in-progress are not depreciated. Other tangible and intangible property, plant and equipment and right-to-use assets of the School District are depreciated/amortized using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Buildings and Improvements	15-50
Machinery and Equipment	5-20
Right-to-use Assets	4

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheets.

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In district-wide financial statements, unearned revenues consist of amounts received in advance and/or amounts from grants received before the eligibility requirements have been met.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The School District has reported unearned revenues of \$18,794 for fees received in advance in the General Fund, \$82,984 for State and Federal aid received in advance in the Special Aid Fund and \$193,447 for unused meal deposits in the School Lunch Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

The School District reported deferred amounts on refunding bonds resulting from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is being deferred and amortized over the shorter of the life of the refunded or refunding debt.

The School District also reported deferred outflows of resources and deferred inflows of resources in relation to its pension and other postemployment benefit liabilities in the district-wide financial statements. These amounts are detailed in the discussion of the School District's pension and other postemployment benefit liabilities in Note 3D.

Note 1 - Summary of Significant Accounting Policies (Continued)

Long-Term Liabilities - In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects Fund expenditures.

Leases - The School District is a lessee for noncancellable leases of equipment. The School District recognizes a lease liability and an intangible right-to-use lease asset ("lease asset") in the district-wide financial statements. The School District recognizes lease liabilities with an initial, individual value of \$10,000 or more.

At the commencement of a lease, the School District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include how the School District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The School District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the School District generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the School District is reasonably certain to exercise. The School District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Right-to-use leased assets are reported with other capital assets and right-to-use lease liabilities are reported with long-term liabilities on the Statement of Net Position.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated sick leave upon separation from service. The liability for such accumulated leave is reflected in the district-wide Statement of Net Position as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Net Pension Liability (Asset) - The net pension liability (asset) represents the School District's proportionate share of the net pension liability (asset) of the New York State and Local Employees' Retirement System and the New York State Teachers' Retirement System. The financial reporting

Note 1 - Summary of Significant Accounting Policies (Continued)

of these amounts are presented in accordance with the provisions of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68".

Other Postemployment Benefit Liability ("OPEB") - In addition to providing pension benefits, the School District provides health care benefits for certain retired employees and their survivors. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions".

Net Position - represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Restricted net position consists of restricted assets and deferred outflows of resources reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted net position for the School District includes restricted for future capital projects, capital projects, workers' compensation benefits, unemployment, tax certiorari, retirement contributions, insurance, property loss and liability, debt service and special purpose.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Fund Balance - Generally, fund balance represents the difference between the current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification used to report funds that are restricted for debt

Note 1 - Summary of Significant Accounting Policies (Continued)

service obligations and for other items contained in General Municipal Law or Education Law of the State of New York.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Board of Education is the highest level of decision making authority for the School District that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the entity removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Board of Education.

Assigned fund balance, in the General Fund, represents amounts constrained either by the policies of the Board of Education for amounts assigned for balancing the subsequent year's budget or by delegated authority to the Assistant Superintendent for Business for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive unassigned fund balance. For all governmental funds other than the General Fund, any deficit fund balance is reported as unassigned.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the School District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the School District's policy to use fund balance in the following order: committed, assigned, and unassigned.

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates

Note 1 - Summary of Significant Accounting Policies (Continued)

also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is November 9, 2023.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

The School District generally follows the procedures enumerated below in establishing the budgetary data reflected in the fund financial statements:

- a) Budget presentations are made to the Board during February through August and the Board of Education formally adopts the budget for voter approval in April via board resolution. At least seven days prior to the budget hearing, a copy of the budget is made available to the voters.
- b) At the budget hearing, the voters may raise questions concerning the items contained in the budget.
- c) The Board of Education establishes a date for the annual meeting, which by law will be held on the third Tuesday in May.
- d) The voters are permitted to vote upon the General Fund budget at the annual meeting.
- e) If the original proposed budget is not approved by the voters, the Board of Education has the option of either resubmitting the original or revising the budget for voter approval at a special meeting held at a later date; or the Board of Education may, at that point, adopt a contingency budget. If the Board of Education decides to submit either the original or a revised budget to the voters for a second time, and the voters do not approve the second budget submittal, the Board of Education must adopt a contingency budget and the tax levy cannot exceed the total tax levy of the prior year (0% levy growth). In addition, the administrative component of the contingency budget shall not comprise a greater percentage of the contingency budget exclusive of the capital component than the lesser of either 1) the percentage the administrative component had comprised in the prior year budget exclusive of the capital component; or 2) the percentage the administrative component had comprised in the last proposed defeated budget exclusive of the capital component.
- f) Formal budgetary integration is employed during the year as a management control device for the General Fund.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- g) The budget for the General Fund is legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. The Board of Education does not adopt an annual budget for the Special Aid, School Lunch or Special Purpose funds since other means control the use of these resources (e.g., grant awards) and sometimes span a period of more than one fiscal year.
- h) The Board of Education has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, are governed by Board policy. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- i) Appropriations in the General Fund lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted or as amended by the Board of Education.

B. Limitation on Fund Balance

The School District is limited to the amount of unassigned fund balance, with certain exceptions, that can be retained. New York State law limits this amount of fund balance to 4% of the ensuing year's budget. The School District is currently in excess of this limit.

C. Property Tax Limitation

Chapter 97 of the Laws of 2011, as amended ("Tax Levy Limitation Law"), modified previous law by imposing a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the CPI subject to certain exclusions. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a budget with a tax levy in excess of the limit. In the event the voters reject the budget, the tax levy for the school district's budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year. School districts will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior year.

The Tax Levy Limitation Law permits certain significant exclusions to the tax levy limit for school districts. These include taxes to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the Tax Levy Limitation Law. However, such exclusion does not apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments.

Washingtonville Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2023

Note 2 - Stewardship, Compliance and Accountability (Continued)

D. New Accounting Pronouncement

GASB Statement No. 96, “*Subscription-Based Information Technology Arrangements (SBITA’s)*”, established a single model for SBITA accounting based on the concept that SBITA’s are a financing of a “right-to-use” underlying asset. This statement requires a subscriber to recognize a subscription liability and an intangible right-to-use subscription asset and a subscriber to recognize a subscription receivable and a deferred inflow of resources. The requirements of GASB Statement No. 96 are effective for the School District’s fiscal year ended June 30, 2023. The School District has completed its evaluation of the financial impact of GASB Statement No. 96 and determined that the implementation of this standard was not required as it did not have a material impact on its financial statements.

E. Prior Period Adjustment

Beginning fund balance of the School District as of June 30, 2023 was restated for a prior period adjustment increasing fund balance and net position by the amounts enumerated below. The employee portion of the TRS accrual was accrued and paid in previous years, but not adjusted once paid. There are amounts expended in the previous years in the Special Aid Fund where the corresponding receivable was not recorded. Further, the activities previously reported in the Fiduciary Funds do not meet the provisions of GASB Statement No. 84, “*Fiduciary Activities*” to be reported in the Fiduciary Funds. Lastly, capital assets was adjusted to agree to the detailed listing of all School District assets.

The composition of the prior period adjustments were as follows:

	Governmental Activities	General	Special Aid	Special Purpose	Fiduciary Funds	
					Private Purpose Trust Fund	Custodial Fund
TRS Retirement Accrual	\$ 318,134	\$ 318,134	\$ -	\$ -	\$ -	\$ -
State and Federal Receivable	206,292	-	206,292	-	-	-
Private Purpose Trust	153,579	-	-	153,579	(60,662)	(92,917)
Extraclassroom Activities	92,606	-	-	92,606	-	(92,606)
Capital Assets	(286,271)	-	-	-	-	-
Net Position/Fund Balance	<u>\$ 484,340</u>	<u>\$ 318,134</u>	<u>\$ 206,292</u>	<u>\$ 246,185</u>	<u>\$ (60,662)</u>	<u>\$ (185,523)</u>

Note 3 - Detailed Notes on All Funds

A. Interfund Receivables/Payables

The composition of due from/to other funds at June 30, 2023 were as follows:

Fund	Due From	Due To
General	\$ 5,683,540	\$ 1,472,771
Special Aid	-	5,524,303
Capital Projects	1,472,771	-
Non-Major Governmental	-	159,237
	<u>\$ 7,156,311</u>	<u>\$ 7,156,311</u>

Washingtonville Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

The composition of advances to/from other funds at June 30, 2023 were as follows:

Fund	Advances To	Advances From
General	\$ 705,042	\$ -
Special Aid	-	705,042
	<u>\$ 705,042</u>	<u>\$ 705,042</u>

The amounts payable to the General Fund from the Special Aid Fund relate to state and federal aid receivables older than one year.

B. Capital Assets

Changes in the School District's capital assets are as follows:

Class	Balance July 1, 2022, as Reported	Prior Period Adjustment	Balance July 1, 2022, as Restated	Additions	Deletions	Balance June 30, 2023
Capital Assets, not being depreciated:						
Land	\$ 6,891,876	\$ -	\$ 6,891,876	-	-	\$ 6,891,876
Construction-in-progress	62,994,524	-	62,994,524	2,970,883	65,965,407	-
Total Capital Assets, not being depreciated	<u>\$ 69,886,400</u>	<u>\$ -</u>	<u>\$ 69,886,400</u>	<u>\$ 2,970,883</u>	<u>\$ 65,965,407</u>	<u>\$ 6,891,876</u>
Capital Assets, being depreciated/amortized:						
Buildings and Improvements	\$ 54,983,800	\$ -	\$ 54,983,800	\$ 65,965,507	\$ -	\$ 120,949,307
Furniture & Equipment	3,811,355	(1,393,911)	2,417,444	93,966	10,799	2,500,611
Vehicles	10,454,271	(2,247,404)	8,206,867	737,894	198,489	8,746,272
Right-to-use Leased Equipment	784,250	-	784,250	216,444	450,408	550,286
Total Capital Assets, being depreciated/amortized	<u>70,033,676</u>	<u>(3,641,315)</u>	<u>66,392,361</u>	<u>67,013,811</u>	<u>659,696</u>	<u>132,746,476</u>
Less Accumulated Depreciation/Amortization for:						
Buildings and Improvements	27,424,393	-	27,424,393	2,520,656	-	29,945,049
Furniture & Equipment	2,092,160	(1,270,685)	821,475	365,139	10,799	1,175,815
Vehicles	5,738,645	(2,084,359)	3,654,286	740,311	198,489	4,196,108
Right-to-use Leased Equipment	617,330	-	617,330	155,609	450,408	322,531
Total Accumulated Depreciation/Amortization	<u>35,872,528</u>	<u>(3,355,044)</u>	<u>32,517,484</u>	<u>3,781,715</u>	<u>659,696</u>	<u>35,639,503</u>
Total Capital Assets, being depreciated/amortized, net	<u>\$ 34,161,148</u>	<u>\$ (286,271)</u>	<u>\$ 33,874,877</u>	<u>\$ 63,232,096</u>	<u>\$ -</u>	<u>\$ 97,106,973</u>
Capital Assets, net	<u>\$ 104,047,548</u>	<u>\$ (286,271)</u>	<u>\$ 103,761,277</u>	<u>\$ 66,202,979</u>	<u>\$ 65,965,407</u>	<u>\$ 103,998,849</u>

Washingtonville Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

Depreciation/Amortization expense was charged to School District functions and programs as follows:

General Support	\$ 36,390
Instruction	2,948,541
Transportation	763,840
Cost of food sales	<u>32,944</u>
Total Depreciation/Amortization Expense	<u>\$ 3,781,715</u>

C. Accrued Liabilities

Accrued liabilities at June 30, 2023 were as follows:

	<u>General Fund</u>	<u>Special Aid Fund</u>	<u>School Lunch Fund</u>	<u>Total</u>
Payroll and Employee Benefits	\$ 241,981	\$ -	\$ -	\$ 241,981
Health Insurance	274,691	-	-	274,691
Other	<u>31,443</u>	<u>10,626</u>	<u>1,097</u>	<u>43,166</u>
	<u>\$ 548,115</u>	<u>\$ 10,626</u>	<u>\$ 1,097</u>	<u>\$ 559,838</u>

D. Long-Term Liabilities

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2023:

	<u>Balance July 1, 2022</u>	<u>New Issues/ Additions</u>	<u>Maturities and/or Payments</u>	<u>Balance June 30, 2023</u>	<u>Due Within One-Year</u>
General Obligation Bonds Payable	\$ 51,150,000	\$ -	\$ 4,545,000	\$ 46,605,000	\$ 4,115,000
Plus - Unamortized Premium on Bonds	<u>225,742</u>	<u>-</u>	<u>66,964</u>	<u>158,778</u>	<u>-</u>
	<u>51,375,742</u>	<u>-</u>	<u>4,611,964</u>	<u>46,763,778</u>	<u>4,115,000</u>
Energy Performance Contract Payable	<u>4,714,326</u>	<u>2,494,828</u>	<u>283,108</u>	<u>6,926,046</u>	<u>415,842</u>
Leases payable	<u>168,086</u>	<u>216,444</u>	<u>153,307</u>	<u>231,223</u>	<u>156,306</u>
Other Non-current Liabilities:					
Compensated Absences	4,995,243	1,497,674	499,000	5,993,917	599,000
Net Pension Liability - ERS	-	5,188,606	-	5,188,606	-
Net Pension Liability - TRS	-	3,897,575	-	3,897,575	-
Other Postemployment Benefit Liability	<u>343,067,779</u>	<u>(46,494,465)</u>	<u>6,092,185</u>	<u>290,481,129</u>	<u>-</u>
Total Other Non- current Liabilities	<u>348,063,022</u>	<u>(35,910,610)</u>	<u>6,591,185</u>	<u>305,561,227</u>	<u>599,000</u>
Total Long-Term Liabilities	<u>\$ 404,321,176</u>	<u>\$ (33,199,338)</u>	<u>\$ 11,639,564</u>	<u>\$ 359,482,274</u>	<u>\$ 5,286,148</u>

Washingtonville Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

Each governmental fund's liability for general obligation bonds payable, energy performance contract payable, leases, compensated absences net pension liability and other postemployment benefit liability is liquidated by the General Fund.

General Obligation Bonds Payable

General obligation Bonds payable at June 30, 2023 are comprised of the following individual issues:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding at June 30, 2023</u>
Advance Refunding	2014	\$ 8,460,000	July, 2029	3.00-5.00 %	\$ 4,585,000
Reconstruction	2019	48,602,620	June, 2039	0.05-5.00	37,620,000
Library	2017	6,920,000	June, 2031	2.00-5.00	4,000,000
Construction	2020	3,035,000	December, 2023	5.00	400,000
					<u>\$ 46,605,000</u>

Interest expenditures of \$1,527,624 were recorded in the fund financial statements in the General Fund. Interest expense of \$1,351,723 was recorded in the district-wide financial statements.

Energy Performance Contract Payable

The School District entered into a lease agreement in 2022 to finance the costs of energy saving equipment and/or to upgrade existing facilities to enhance performance. The terms of this agreement provided for the repayment of the principal in the amount of \$4,839,626 in annual installments through June, 2036 with an interest rate of 1.469%. The balance due at June 30, 2023 is \$4,431,218.

The School District entered into a lease agreement in 2023 to finance the costs of energy saving equipment and/or to upgrade existing facilities to enhance performance. The terms of this agreement provided for the repayment of the principal in the amount of \$2,494,828 in annual installments through June, 2038 with an interest rate of 3.52%. The balance due at June 30, 2023 is \$2,494,828.

Interest expenditures of \$111,391 were recorded in the fund financial statements in the General Fund. Interest expense of \$111,310 was recorded in the district-wide financial statements.

Washingtonville Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

Leases Payable

Leases payable at June 30, 2023 are comprised of the following agreement:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2023
Equipment	2021	\$ 333,842	June, 2024	1.469 %	\$ 84,450
Equipment	2023	216,444	June, 2025	4.180	146,773
					<u>\$ 231,223</u>

Interest expenditures/expense of \$10,077 were recorded in the fund financial statements in the General Fund and in the district-wide financial statements.

Payments to Maturity

The annual requirements to amortize all outstanding bonded debt and leases as of June 30, 2023 including interest payments of \$7,500,455 are as follows:

Year Ending June 30,	General Obligation Bonds			Energy Performance Contract		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 4,115,000	\$ 1,316,320	\$ 5,431,320	\$ 415,842	\$ 151,395	\$ 567,237
2025	3,920,000	1,119,570	5,039,570	424,677	142,560	567,237
2026	4,045,000	957,170	5,002,170	433,741	133,497	567,238
2027	3,710,000	791,870	4,501,870	443,037	124,201	567,238
2028	3,830,000	645,070	4,475,070	452,575	114,663	567,238
2029-2033	17,870,000	1,377,514	19,247,514	2,414,886	421,302	2,836,188
2034-2038	8,200,000	51,040	8,251,040	2,341,288	143,555	2,484,843
2039	915,000	458	915,458	-	-	-
	<u>\$ 46,605,000</u>	<u>\$ 6,259,012</u>	<u>\$ 52,864,012</u>	<u>\$ 6,926,046</u>	<u>\$ 1,231,173</u>	<u>\$ 8,157,219</u>

Year Ending June 30,	Leases			Total		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 156,306	\$ 7,077	\$ 163,383	\$ 4,687,148	\$ 1,474,792	\$ 6,161,940
2025	74,917	3,193	78,110	4,419,594	1,265,323	5,684,917
2026	-	-	-	4,478,741	1,090,667	5,569,408
2027	-	-	-	4,153,037	916,071	5,069,108
2028	-	-	-	4,282,575	759,733	5,042,308
2029-2033	-	-	-	20,284,886	1,798,816	22,083,702
2034-2038	-	-	-	10,541,288	194,595	10,735,883
2039	-	-	-	915,000	458	915,458
	<u>\$ 231,223</u>	<u>\$ 10,270</u>	<u>\$ 241,493</u>	<u>\$ 53,762,269</u>	<u>\$ 7,500,455</u>	<u>\$ 61,262,724</u>

The above general obligation bonds are direct borrowings of the School District for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the School District.

Note 3 - Detailed Notes on All Funds (Continued)

Legal Debt Margin

The School District is subject to legal limitations on the amount of debt that it may issue. The School District's legal debt margin is 10% of the five year average full valuation of taxable real property.

Compensated Absences

Compensated absences consist of unpaid accumulated annual sick leave, vacation and sabbatical/personal 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. School District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken in varying time periods. The value of compensated absences has been reflected in the district-wide financial statements.

Pension Plans

New York State and Local Retirement System and Teachers' Retirement System

The School District participates in the New York State and Local Employees' Retirement System ("ERS"). This is a cost-sharing, multiple-employer defined benefit pension plan. ERS provides retirement benefits as well as death and disability benefits. The net position of the ERS is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all assets and record changes in fiduciary net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The ERS 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/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The School District also participates in the New York State Teachers' Retirement System ("TRS"). This is a cost-sharing, multiple-employer defined benefit pension plan. TRS provides retirement benefits as well as death and disability benefits. The TRS is governed by a ten member Board of Trustees, which sets policy and oversees operations consistent with its fiduciary obligations under applicable law. Obligations of employers and employees to contribute and benefits to employees are governed by the Education Law of the State of New York. Once a public employer elects to participate in the TRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The TRS issues a stand-alone financial report which may be found at www.nystrs.org or obtained by

Washingtonville Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

ERS and TRS are noncontributory for employees who joined the systems before July 27, 1976. Employees who joined the systems after July 27, 1976 and before January 1, 2010 contribute 3% of their salary for the first ten years of membership. Employees who joined the systems after January 1, 2010 generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. Pursuant to Article 11 of the Education Law of the State of New York, actuarially determined employer contributions are established annually for the TRS by its Board of Trustees. The employer contribution rates for the ERS plan year ended March 31, 2023 and TRS plan year ended June 30, 2023 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	3 A14	13.1 %
	4 A15	13.1
	5 A15	11.2
	6 A15	8.3
TRS	1-6	10.29 %

At June 30, 2023, the School District reported the following for its proportionate share of the net pension liability for ERS and TRS:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2023	June 30, 2022
Net pension liability	\$ 5,188,606	\$ 3,897,575
School Districts' proportion of the net pension liability	0.0241960 %	0.203116 %
Change in proportion since the prior measurement date	0.0012170 %	0.002283 %

The net pension liability was measured as of March 31, 2023 for ERS and June 30, 1899 for TRS and the total pension liability used to calculate the net pension liability were determined by actuarial valuations as of those dates. The School District's proportion of the net pension liability for ERS was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. The School District's proportion of the net pension liability for TRS was based on the School District's contributions to the pension plan relative to the contributions of all participating members.

For the year ended June 30, 2023, the School District recognized its proportionate share of pension expense in the district-wide financial statements of \$7,071,797 (\$1,960,534 for ERS and \$5,111,263 for TRS). Pension expenditures for \$885,566, \$52,378 and \$26,730 for ERS were recorded in the fund financial statements and were charged to the General, School Lunch and Special Aid funds, respectively. Pension expenditures for TRS of \$3,661,549 and \$187,283 were

Washingtonville Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

recorded in the fund financial statements and were charged to the General and Special Aid funds, respectively.

At June 30, 2023, the School District reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS		TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 552,627	\$ 145,716	\$ 4,084,165	\$ 78,101
Changes of assumptions	2,519,922	27,850	7,560,637	1,570,054
Net difference between projected and actual earnings on pension plan investments	-	30,483	5,036,037	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	415,222	135,447	654,703	428,417
School District contributions subsequent to the measurement date	270,391	-	3,814,048	-
	<u>\$ 3,758,162</u>	<u>\$ 339,496</u>	<u>\$ 21,149,590</u>	<u>\$ 2,076,572</u>
	Total			
	Deferred Outflows of Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 4,636,792	\$ 223,817		
Changes of assumptions	10,080,559	1,597,904		
Net difference between projected and actual earnings on pension plan investments	5,036,037	30,483		
Changes in proportion and differences between School District contributions and proportionate share of contributions	1,069,925	563,864		
School District contributions subsequent to the measurement date	4,084,439	-		
	<u>\$ 24,907,752</u>	<u>\$ 2,416,068</u>		

\$270,391 reported as deferred outflows of resources related to ERS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the plan's year ended March 31, 2024. The \$3,814,048 reported as deferred outflows of resources related to TRS will be recognized as a decrease of the net pension liability in the plan's year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and TRS will be recognized in pension expense as follows:

Washingtonville Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

<u>Year Ended</u>	<u>March 31,</u> <u>ERS</u>	<u>June 30,</u> <u>TRS</u>
2023	\$ -	\$ 3,011,706
2024	797,640	1,582,887
2025	(198,144)	(630,047)
2026	1,101,414	9,926,924
2027	1,447,365	1,320,934
Thereafter	-	46,566
	<u>\$ 3,148,275</u>	<u>\$ 15,258,970</u>

The total pension liability for the ERS and TRS measurement dates were determined by using actuarial valuation dates as noted below, with update procedures used to roll forward the total pension liabilities to those measurement dates. Significant actuarial assumptions used in the valuations were as follows:

	<u>ERS</u>	<u>TRS</u>
Measurement Date	March 31, 2023	June 30, 2022
Actuarial valuation date	April 1, 2022	June 30, 2021
Investment rate of return	5.9% *	6.95% *
Salary scale	4.4%	1.95%-5.18%
Inflation rate	2.9%	2.4%
Cost of living adjustments	1.5%	1.3%

*Compounded annually, net of pension plan investment expenses, including inflation.

For ERS, annuitant mortality rates are based on the ERS'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, applied on a generational basis. Active member mortality rates are based on plan member experience.

The actuarial assumptions used in the ERS valuation were based on the results of an actuarial experience study for the period April 1, 2015 - April 1, 2020. The actuarial assumptions used in the TRS valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020.

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

Washingtonville Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

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

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation is summarized in the following table:

Asset Type	ERS March 31, 2023		TRS June 30, 2022	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32 %	4.30 %	33 %	6.5 %
International Equity	15	6.85	16	7.2
Private Equity	10	7.50	8	9.9
Real Estate	9	4.60	11	6.2
Domestic Fixed Income Securities	-	-	16	1.1
Global Bonds	-	-	2	0.6
High Yield Bonds	-	-	1	3.3
Global Equities	-	-	4	6.9
Private Debt	-	-	2	5.3
Real Estate Debt	-	-	6	2.4
Opportunistic/ARS Portfolio	3	5.38	-	-
Credit	4	5.43	-	-
Real Assets	3	5.84	-	-
Fixed Income	23	1.50	-	-
Cash	1	-	1	(0.3)
	<u>100 %</u>		<u>100 %</u>	

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

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 determined. Based upon those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term

Washingtonville Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
School District's proportionate share of the ERS net pension liability (asset)	<u>\$ 12,538,634</u>	<u>\$ 5,188,606</u>	<u>\$ (953,198)</u>
	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
School District's proportionate share of the TRS net pension liability (asset)	<u>\$ 35,937,471</u>	<u>\$ 3,897,575</u>	<u>\$ (23,047,767)</u>

The components of the collective net pension liability as of the March 31, 2023 ERS measurement date and the June 30, 1899 TRS measurement date were as follows:

	<u>ERS</u>	<u>TRS</u>
Total pension liability	\$ 232,627,259,000	\$ 133,883,473,797
Fiduciary net position	<u>211,183,223,000</u>	<u>131,964,582,107</u>
Employers' net pension liability	<u>\$ 21,444,036,000</u>	<u>\$ 1,918,891,690</u>
Fiduciary net position as a percentage of total pension liability	<u>90.78%</u>	<u>98.57%</u>

Employer contributions to ERS are paid annually and cover the period through the end of ERS's fiscal year, which is March 31st. Accrued retirement contributions as of June 30, 2023 represent the projected employer contribution for the period April 1, 2023 through June 30, 2023 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly.

Employer and employee contributions for the year ended June 30, 2023 are paid to TRS in the following fiscal year through a state aid intercept or, if state aid is insufficient, through a payment by the School District to TRS. Accrued retirement contributions as of June 30, 2023 represent employee and employer contributions for the fiscal year ended June 30, 2023 based on paid TRS wages multiplied by the employers' contribution rate plus employee contributions for the fiscal year as reported to TRS.

Washingtonville Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

Accrued retirement contributions as of June 30, 2023 were \$270,391 to ERS and \$4,236,152 to TRS (including employee contribution of \$422,104).

Voluntary Defined Contribution Plan

The School District can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the School District will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

Other Postemployment Benefit Liability (“OPEB”)

In addition to providing pension benefits, the School District provides certain health care benefits for retired employees through a single employer defined benefit OPEB plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the School District may vary according to length of service. The cost of providing postemployment health care benefits is shared between the School District and the retired employee as noted below. Substantially all of the School District's employees may become eligible for those benefits if they reach normal retirement age while working for the School District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other than Pensions”, so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

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

Inactive employees currently receiving benefit payments	783
Active employees	<u>561</u>
	<u><u>1,344</u></u>

The School District's total OPEB liability of \$290,481,129 was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2022.

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	4.00%
Discount rate	3.54%
Healthcare cost trend rates	7.44% for 2024, decreasing at various rates to an ultimate rate of 4.50%.
Retirees' share of benefit-related costs	0% - 30%, depending on employee class and date of retirement.

The discount rate was based on Bond Buyer 20 GO Bond Index as of the measurement date.

Washingtonville Central School District, New York

Notes to Financial Statements (Continued)

June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

The School District's change in the total OPEB liability for the year ended June 30, 2023 is as follows:

Total OPEB Liability - Beginning of Year	\$ 343,067,779
Service cost	13,806,513
Interest	7,643,041
Changes of benefit terms	-
Differences between expected and actual experience	7,122,055
Changes in assumptions or other inputs	(75,066,074)
Benefit payments	<u>(6,092,185)</u>
 Total OPEB Liability - End of Year	 <u>\$ 290,481,129</u>

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.54%) or 1 percentage point higher (4.54%) than the current discount rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability	<u>\$ 341,516,767</u>	<u>\$ 290,481,129</u>	<u>\$ 249,761,000</u>

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.44% decreasing to 3.5%) or 1 percentage point higher (8.44% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	<u>\$ 246,018,701</u>	<u>\$ 290,481,129</u>	<u>\$ 347,630,774</u>

For the year ended June 30, 2023 the School District recognized OPEB expense of \$16,463,261 in the district-wide financial statements. At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 31,347,391	\$ 68,500,383
Differences between expected and actual experience	10,123,661	971,841
School District's contributions subsequent to the measurement date	<u>7,904,650</u>	<u>-</u>
	<u>\$ 49,375,702</u>	<u>\$ 69,472,224</u>

Washingtonville Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

School District contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the fiscal year ended June 30, 2024. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	
2024	\$ (4,986,293)
2025	(911,083)
2026	(2,758,774)
2027	(5,796,706)
2028	(10,006,209)
Thereafter	<u>(3,542,107)</u>
	<u>\$ (28,001,172)</u>

E. Revenues and Expenditures

Interfund Transfers

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without the equivalent flows of assets in return. The interfund transfers reflected below have been reported as transfers.

Transfers Out	Transfers In			Total
	Special Aid Fund	Capital Projects Fund	Non-Major Governmental Funds	
General Fund	\$ 623,926	\$ 1,572,771	\$ 24,135	\$ 2,220,832

Transfers are used to move amounts earmarked in the operating funds to fulfill commitments for Special Aid, Capital Projects and School Lunch fund expenditures.

F. Net Position

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds that are directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Future Capital Projects - the component of net position that has been established to set aside funds to be used for future capital projects.

Restricted for Capital Projects - the component of net position that reports the amounts restricted for capital projects, less unexpended bond proceeds and unrestricted interest earnings.

Washingtonville Central School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

Restricted for Workers' Compensation Benefits - the component of net position that has been established to set aside funds to be used for a specific purpose in accordance with Section 6-j of the General Municipal Law of the State of New York.

Restricted for Unemployment Benefits - the component of net position that has been established to set aside funds to be used for a specific purpose in accordance with Section 6-m of the General Municipal Law of the State of New York.

Restricted for Tax Certiorari - the component of net position that has been established in accordance with the Education Law of the State of New York to provide funding for court ordered tax refunds which are currently in process.

Restricted for ERS Retirement Contributions - the component of net position that reports the amounts set aside to be used for ERS retirement costs in accordance with Section 6-r of the General Municipal Law of the State of New York.

Restricted for TRS Retirement Contributions - the component of net position that reports the amounts set aside to be used for TRS retirement costs in accordance with Section 6-r of the General Municipal Law of the State of New York.

Restricted for Insurance - the component of net position that has been established to set aside funds to fund certain uninsured losses, claims, actions or judgments for which the local government is authorized or required to purchase or maintain insurance in accordance with Section 6-n of the General Municipal Law of the State of New York.

Restricted for Property Loss and Liability - the component of net position that has been established to set aside funds for the deductible provisions of the School District's insurance policies in accordance with Section 6-n of the General Municipal Law of the State of New York.

Restricted for Debt Service - the component of net position that reports the difference between assets and liabilities of the Debt Service Fund with constraints placed on their use by Local Finance Law.

Restricted for Special Purpose - the component of net position that has been established to set aside funds to be used for extraclassroom activities and other purposes with constraints placed on their use by either external parties and/or statute.

Unrestricted - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets".

Washingtonville Central School District, New York

Notes to Financial Statements (Continued)
 June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

G. Fund Balances

	2023			Total
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	
Nonspendable -				
Prepaid expenditures	\$ 750	\$ -	\$ -	\$ 750
Advances	705,042	-	-	705,042
Inventories	-	-	29,756	29,756
Total Nonspendable	705,792	-	29,756	735,548
Restricted:				
Workers' compensation	900,234	-	-	900,234
Unemployment benefits	49,437	-	-	49,437
Tax certiorari	542,843	-	-	542,843
ERS retirement contributions	4,137,132	-	-	4,137,132
ERS retirement contributions - for subsequent year's expenditures	1,000,000	-	-	1,000,000
TRS retirement contributions	1,807,719	-	-	1,807,719
TRS retirement contributions - for subsequent year's expenditures	1,042,797	-	-	1,042,797
Insurance	646,375	-	-	646,375
Property loss and liability	1,096,609	-	-	1,096,609
Employee benefit accrued liability	5,547,745	-	-	5,547,745
Employee benefit accrued liability - for subsequent year's expenditures	446,172	-	-	446,172
Future capital projects	3,000,000	-	-	3,000,000
Capital projects	-	3,536,992	-	3,536,992
Debt service	-	-	917,546	917,546
Special purposes - extraclassrom activities	-	-	129,072	129,072
Special purposes - other	-	-	143,808	143,808
Total Restricted	20,217,063	3,536,992	1,190,426	24,944,481
Assigned:				
Purchases on order:				
General government support	735,956	-	-	735,956
Instruction	365,542	-	-	365,542
Transportation	42,282	-	-	42,282
	1,143,780	-	-	1,143,780
For subsequent year's expenditures -				
General Fund	3,750,000	-	-	3,750,000
School Lunch Fund	-	-	418,818	418,818
Total Assigned	4,893,780	-	418,818	5,312,598
Unassigned	6,143,269	-	-	6,143,269
Total Fund Balances	\$ 31,959,904	\$ 3,536,992	\$ 1,639,000	\$ 37,135,896

Washingtonville Central School District, New York

Notes to Financial Statements
Year Ended June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

Certain elements of fund balance are described above. Those additional elements, which are not reflected in the Statement of Net Position but are reported in the governmental funds balance sheet are described below.

Advances have been established to indicate the long-term nature of funds advanced to the Special Aid Fund. The amount is classified as nonspendable to indicate that these funds do not represent "available" spendable resources even though they are a component of current assets.

Inventories in the School Lunch Fund have been classified as nonspendable to indicate that a portion of fund balance is not "available" for expenditure because the asset is in the form of commodities and the School District anticipates utilizing them in the normal course of operations.

Employee Benefit Accrued Liability – the component of fund balance that has been restricted pursuant to Section 6-r of the General Municipal Law of the State of New York to provide funds for the payment of unused sick time and other forms of payment for accrued leave time granted upon termination or separation from service.

Purchases on order represent the School District's intention to honor the contracts in process at year-end. The subsequent year's appropriation will be amended to provide authority to complete the transactions.

Subsequent year's expenditures represent that at June 30, 2023, the Board has utilized the above amounts to be appropriated for the ensuing year's budget.

Unassigned fund balance in the General Fund represents amounts not classified as non-spendable, restricted or assigned.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The School District receives notices of claims for money damages arising from personal injury claims. Of the claims currently pending, none are expected to have a material effect on the School District, if adversely settled.

A not-for-profit organization, comprised of a group of non-public school parents residing in the School District perimeters, alleges that the School District is in violation of clear statutory language of NYS Education Law §3635(1-a) that confers NYS resident students attending non-public schools a right to transportation on all days when non-public schools are open, but public schools are closed. The Supreme Court, Albany County found in favor of the Plaintiffs. The School District appealed the decision and order to the Appellate Division, Third Department, who found in favor of the School District. The Plaintiffs filed for permissive leave to appeal to the Court of Appeals, and the Court of Appeals granted the permission. The case is fully submitted to the Court of Appeals and are awaiting their decision. The School District and the NYS Education Department have taken the position that the legislative history is clear. Utica National has assumed defense and indemnification. The contingent liability is \$14,372 per day of transportation for every day that non-public schools are open, but public schools are closed.

Washingtonville Central School District, New York

Notes to Financial Statements (Concluded)
Year Ended June 30, 2023

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

B. Contingencies

The School District participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Uniform Guidance. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the School District anticipates such amounts, if any, to be immaterial.

The School District is subject to audits of State aid by the New York State Education Department. The amount of aid previously paid to the School District which may be disallowed cannot be determined at this time, although the School District anticipates such amounts, if any, to be immaterial.

C. Risk Management

The School District participates in the Orange/Ulster School District Health Plan, a non-risk-retained public entity risk pool for its employee health and accident insurance coverage. The pool is operated for the benefit of 21 individual governmental units located within the pool's geographic area, and is considered a self-sustaining risk pool that will provide coverage for its members. The pool obtains independent coverage for insured events in excess of the limit, and the School District has essentially transferred all related risk to the pool.

Note 5 - Subsequent Event

On September 2023, the School District entered into a lease purchase agreement in the amount of \$6,918,222 with an interest rate of 4.19% that will mature in December 2038.

Note 6 - Recently Issued GASB Pronouncements

GASB Statement No. 101, "*Compensated Absences*", provides guidance on the accounting and financial reporting for compensated absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the School District believes will most impact its financial statements. The School District will evaluate the impact of this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

Washingtonville Central School District, New York

Required Supplementary Information - Schedule of Changes in the
School District's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years (1)(2)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability:						
Service cost	\$ 13,806,513	\$ 12,112,591	\$ 9,722,930	\$ 8,436,544	\$ 8,562,668	\$ 10,288,062
Interest	7,643,041	7,281,492	9,910,273	9,799,973	8,697,649	7,553,558
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	7,122,055	(760,397)	(93,943)	(959,865)	(3,982,400)	-
Changes of assumptions or other inputs *	(75,066,074)	10,046,060	30,959,683	15,889,259	2,162,392	(33,397,982)
Benefit payments	<u>(6,092,185)</u>	<u>(5,924,931)</u>	<u>(5,565,972)</u>	<u>(5,108,820)</u>	<u>(4,967,957)</u>	<u>(4,651,628)</u>
Net Change in Total OPEB Liability	(52,586,650)	22,754,815	44,932,971	28,057,091	10,472,352	(20,207,990)
Total OPEB Liability – Beginning of Year	<u>343,067,779</u>	<u>320,312,964</u>	<u>275,379,993</u>	<u>247,322,902</u>	<u>236,850,550</u>	<u>257,058,540</u> (3)
Total OPEB Liability – End of Year	<u>\$ 290,481,129</u>	<u>\$ 343,067,779</u>	<u>\$ 320,312,964</u>	<u>\$ 275,379,993</u>	<u>\$ 247,322,902</u>	<u>\$ 236,850,550</u>
School District's covered-employee payroll	<u>\$ 43,592,931</u>	<u>\$ 43,647,135</u>	<u>\$ 40,370,605</u>	<u>\$ 47,938,623</u>	<u>\$ 43,754,410</u>	<u>\$ 39,137,655</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>666.35%</u>	<u>786.00%</u>	<u>793.43%</u>	<u>574.44%</u>	<u>565.25%</u>	<u>605.17%</u>
*Discount Rate	<u>3.54%</u>	<u>2.16%</u>	<u>2.21%</u>	<u>3.51%</u>	<u>3.87%</u>	<u>3.58%</u>

(1) Data not available prior to fiscal year 2018 implementation of Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

(2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

(3) Restated for the implementation of the provisions of GASB Statement No. 75.

See independent auditors' report.

Washingtonville Central School District, New York

Required Supplementary Information
 New York State Teachers' Retirement System
 Last Ten Fiscal Years (1)

Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset) (2)

	2023 (3)	2022 (4)	2021 (3)	2020	2019	2018	2017	2016
School District's proportion of the net pension liability (asset)	<u>0.203116%</u>	<u>0.200833%</u>	<u>0.219058%</u>	<u>0.212044%</u>	<u>0.209697%</u>	<u>0.216767%</u>	<u>0.220000%</u>	<u>0.223000%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ 3,897,575</u>	<u>\$ (34,802,502)</u>	<u>\$ 6,053,160</u>	<u>\$ (5,508,925)</u>	<u>\$ (3,791,884)</u>	<u>\$ (1,647,642)</u>	<u>\$ 2,359,304</u>	<u>\$ (23,185,564)</u>
School District's covered payroll	<u>\$ 38,716,483</u>	<u>\$ 34,705,814</u>	<u>\$ 35,393,644</u>	<u>\$ 34,157,370</u>	<u>\$ 35,067,968</u>	<u>\$ 34,481,842</u>	<u>\$ 33,530,724</u>	<u>\$ 32,860,110</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>10.07%</u>	<u>(100.28)%</u>	<u>17.10%</u>	<u>(16.13)%</u>	<u>(10.81)%</u>	<u>(4.78)%</u>	<u>7.04%</u>	<u>(70.56)%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>98.57%</u>	<u>113.20%</u>	<u>97.76%</u>	<u>102.17%</u>	<u>101.53%</u>	<u>100.66%</u>	<u>99.01%</u>	<u>110.46%</u>
Discount Rate	<u>6.95%</u>	<u>6.95%</u>	<u>7.10%</u>	<u>7.10%</u>	<u>7.25%</u>	<u>7.25%</u>	<u>7.50%</u>	<u>8.00%</u>
Schedule of Contributions								
	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	<u>\$ 3,526,290</u>	<u>\$ 3,248,574</u>	<u>\$ 3,294,241</u>	<u>\$ 3,758,805</u>	<u>\$ 3,347,422</u>	<u>\$ 4,109,966</u>	<u>\$ 4,572,292</u>	<u>\$ 5,877,935</u>
Contributions in relation to the contractually required contribution	<u>(3,526,290)</u>	<u>(3,248,574)</u>	<u>(3,294,241)</u>	<u>(3,758,805)</u>	<u>(3,347,422)</u>	<u>(4,109,966)</u>	<u>(4,572,292)</u>	<u>(5,877,935)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 38,716,483</u>	<u>\$ 38,716,483</u>	<u>\$ 34,705,814</u>	<u>\$ 35,393,644</u>	<u>\$ 34,157,370</u>	<u>\$ 35,067,968</u>	<u>\$ 34,481,842</u>	<u>\$ 33,530,724</u>
Contributions as a percentage of covered payroll	<u>9.11%</u>	<u>8.39%</u>	<u>9.49%</u>	<u>10.62%</u>	<u>9.80%</u>	<u>11.72%</u>	<u>13.26%</u>	<u>17.53%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".

(2) The amounts presented for each fiscal year were determined as of the June 30 measurement date of the prior fiscal year.

(3) Increase in the School District's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

(4) Decrease in the School District's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

Washingtonville Central School District, New York

Required Supplementary Information
 New York State and Local Employees' Retirement System
 Last Ten Fiscal Years (1)

Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset) (2)

	2023 (3)	2022 (4)	2021 (4)	2020 (3)	2019	2018	2017	2016
School District's proportion of the net pension liability (asset)	0.0241960%	0.2297900%	0.0251258%	0.0254090%	0.0248260%	0.0267989%	0.0273000%	0.0285000%
School District's proportionate share of the net pension liability (asset)	\$ 5,188,606	\$ (1,878,438)	\$ 25,019	\$ 6,728,455	\$ 1,759,001	\$ 864,921	\$ 2,567,886	\$ 4,581,293
School District's covered payroll	\$ 10,048,170	\$ 8,159,829	\$ 8,121,108	\$ 8,335,110	\$ 7,895,414	\$ 8,166,663	\$ 8,177,417	\$ 8,016,964
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	51.64%	(23.02)%	0.31%	80.72%	22.28%	10.59%	31.40%	57.14%
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%
Discount Rate	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%

Schedule of Contributions

	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 911,316	\$ 1,276,848	\$ 1,233,258	\$ 1,162,412	\$ 1,168,347	\$ 1,207,465	\$ 1,142,461	\$ 1,404,132
Contributions in relation to the contractually required contribution	(911,316)	(1,276,848)	(1,233,258)	(1,162,412)	(1,168,347)	(1,207,465)	(1,142,461)	(1,404,132)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 10,112,206	\$ 8,159,829	\$ 8,121,108	\$ 8,335,110	\$ 7,895,414	\$ 8,166,663	\$ 8,177,417	\$ 8,016,964
Contributions as a percentage of covered payroll	9.01%	15.65%	15.19%	13.95%	14.80%	14.79%	13.97%	17.51%

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".

(2) The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(3) Increase in the School District's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

(4) Decrease in the School District's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

See independent auditors' report.

Washingtonville Central School District, New York

Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
REVENUES					
Real property taxes	\$ 58,297,831	\$ 58,297,831	\$ 58,311,466	\$ -	\$ 13,635
Other tax items	3,755,888	3,755,888	3,711,037	-	(44,851)
Charges for services	648,750	648,750	860,235	-	211,485
Use of money and property	50,000	50,000	1,234,411	-	1,184,411
Sale of property and compensation for loss	20,000	20,000	145,865	-	125,865
State aid	43,013,923	43,013,923	44,763,811	-	1,749,888
Federal aid	80,000	80,000	190,170	-	110,170
Miscellaneous	500,000	502,419	1,562,899	-	1,060,480
Total Revenues	106,366,392	106,368,811	110,779,894	-	4,411,083
EXPENDITURES					
Current					
General support	10,757,004	11,494,029	9,627,800	735,956	1,130,273
Instruction	58,510,205	58,234,803	52,377,741	365,542	5,491,520
Pupil transportation	11,839,449	11,746,010	10,699,967	42,282	1,003,761
Employee benefits	30,465,555	28,173,858	27,714,242	-	459,616
Debt service					
Principal	4,828,109	4,981,416	4,981,415	-	1
Interest	1,595,861	1,649,092	1,649,092	-	-
Total Expenditures	117,996,183	116,279,208	107,050,257	1,143,780	8,085,171
Excess of Revenues Over Expenditures	(11,629,791)	(9,910,397)	3,729,637	(1,143,780)	12,496,254
OTHER FINANCING SOURCES (USES)					
Transfers in	800,000	800,000	-	-	(800,000)
Transfers out	(285,000)	(2,246,697)	(2,220,832)	-	25,865
Total Other Financing Sources (Uses)	515,000	(1,446,697)	(2,220,832)	-	(774,135)
Net Change in Fund Balance	(11,114,791)	(11,357,094)	1,508,805	\$ (1,143,780)	\$ 11,722,119
FUND BALANCE					
Beginning of Year, as Restated	11,114,791	11,357,094	30,451,099		
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,959,904</u>		

The notes to financial statements are an integral part of this statement.

Washingtonville Central School District, New York

General Fund
 Schedule of Revenues and Other Financing Sources Compared to Budget
 Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REAL PROPERTY TAXES	\$ 58,297,831	\$ 58,297,831	\$ 58,311,466	\$ 13,635
OTHER TAX ITEMS				
Payments in lieu of taxes	55,246	55,246	66,896	11,650
School tax relief reimbursement	3,578,642	3,578,642	3,578,642	-
Interest and penalties on real property taxes	122,000	122,000	65,499	(56,501)
	<u>3,755,888</u>	<u>3,755,888</u>	<u>3,711,037</u>	<u>(44,851)</u>
CHARGES FOR SERVICES				
Day school tuition - Other districts	-	-	152,346	152,346
Other services for other districts and other governments	648,750	648,750	707,889	59,139
	<u>648,750</u>	<u>648,750</u>	<u>860,235</u>	<u>211,485</u>
USE OF MONEY AND PROPERTY				
Earnings on investments	50,000	50,000	1,216,356	1,166,356
Rental of real property	-	-	18,055	18,055
	<u>50,000</u>	<u>50,000</u>	<u>1,234,411</u>	<u>1,184,411</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Insurance recoveries	10,000	10,000	58,263	48,263
Sale of equipment	10,000	10,000	85,975	75,975
Minor sales	-	-	634	634
Other	-	-	993	993
	<u>20,000</u>	<u>20,000</u>	<u>145,865</u>	<u>125,865</u>

STATE AID

Basic formula	39,878,690	39,878,690	41,535,766	1,657,076
BOCES	2,702,500	2,702,500	2,705,809	3,309
Tuition for students with disabilities	-	-	94,388	94,388
Textbooks	287,697	287,697	280,416	(7,281)
Computer software	120,967	120,967	121,282	315
Library	24,069	24,069	24,150	81
Other	-	-	2,000	2,000
	<u>43,013,923</u>	<u>43,013,923</u>	<u>44,763,811</u>	<u>1,749,888</u>

FEDERAL AID

Elementary and Secondary School Emergency Relief Fund (CARES)	-	-	(9,999)	(9,999)
Governor's Emergency Education Relief Fund (CARES)	-	-	(1,500)	(1,500)
Medicaid assistance	35,000	35,000	124,321	89,321
Other	45,000	45,000	77,348	32,348
	<u>80,000</u>	<u>80,000</u>	<u>190,170</u>	<u>110,170</u>

MISCELLANEOUS

Refund of prior year's expenditures	400,000	400,000	1,248,376	848,376
Reimbursement of Medicare Part D expenditures	-	-	192,797	192,797
Gifts and donations	-	2,419	5,494	3,075
Other	100,000	100,000	116,232	16,232
	<u>500,000</u>	<u>502,419</u>	<u>1,562,899</u>	<u>1,060,480</u>

TOTAL REVENUES

106,366,392	106,368,811	110,779,894	4,411,083
-------------	-------------	-------------	-----------

OTHER FINANCING SOURCES

Transfers in				
Debt Service Fund	800,000	800,000	-	(800,000)
	<u>800,000</u>	<u>800,000</u>	<u>-</u>	<u>(800,000)</u>

TOTAL REVENUES AND OTHER FINANCING SOURCES

<u>\$ 107,166,392</u>	<u>\$ 107,168,811</u>	<u>\$ 110,779,894</u>	<u>\$ 3,611,083</u>
-----------------------	-----------------------	-----------------------	---------------------

See independent auditors' report.

Washingtonville Central School District, New York

General Fund
 Schedule of Expenditures and Other Financing Uses Compared to Budget
 Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	\$ 38,602	\$ 38,602	\$ 26,596	\$ -	\$ 12,006
District clerk	14,130	14,130	13,585	-	545
District meeting	39,589	55,578	22,696	-	32,882
Total Board of Education	<u>92,321</u>	<u>108,310</u>	<u>62,877</u>	<u>-</u>	<u>45,433</u>
CENTRAL ADMINISTRATION					
Chief school administrator	<u>335,355</u>	<u>338,249</u>	<u>328,666</u>	<u>1,510</u>	<u>8,073</u>
FINANCE					
Business administration	498,338	533,870	517,654	-	16,216
Auditing	61,239	82,339	82,338	-	1
Treasurer	88,550	102,719	102,069	500	150
Tax Collector	23,205	21,205	13,921	-	7,284
Purchasing	78,038	60,838	59,433	-	1,405
Fiscal agent fees	60,000	40,900	25,382	-	15,518
Total Finance	<u>809,370</u>	<u>841,871</u>	<u>800,797</u>	<u>500</u>	<u>40,574</u>
STAFF					
Legal	197,849	197,849	122,213	13,670	61,966
Personnel	445,075	416,971	357,308	2,858	56,805
Records management officer	33,450	33,450	5,350	-	28,100
Public information and services	162,965	162,965	143,730	-	19,235
Total Staff	<u>839,339</u>	<u>811,235</u>	<u>628,601</u>	<u>16,528</u>	<u>166,106</u>

CENTRAL SERVICES

Operation and maintenance of plant	6,581,329	7,009,207	5,662,264	717,418	629,525
Central printing and mailing	326,679	370,243	350,687	-	19,556
Central data processing	631,042	631,042	487,450	-	143,592

Total Central Services	7,539,050	8,010,492	6,500,401	717,418	792,673
------------------------	-----------	-----------	-----------	---------	---------

SPECIAL ITEMS

Unallocated insurance	308,300	308,300	252,200	-	56,100
Judgments and claims	5,000	243,526	238,526	-	5,000
School association dues	14,914	14,914	11,543	-	3,371
Taxes on school property	25,000	28,777	21,874	-	6,903
Administrative charge - BOCES	788,355	788,355	782,315	-	6,040

Total Special Items	1,141,569	1,383,872	1,306,458	-	77,414
---------------------	-----------	-----------	-----------	---	--------

Total General Support	10,757,004	11,494,029	9,627,800	735,956	1,130,273
-----------------------	------------	------------	-----------	---------	-----------

INSTRUCTION**INSTRUCTION, ADMINISTRATION
AND IMPROVEMENT**

Curriculum development and supervision	833,420	867,043	690,636	956	175,451
Building administration	2,614,107	2,612,648	2,455,107	-	157,541
In-service training - Instruction	78,245	188,245	186,164	-	2,081

Total Instruction, Administration and Improvement	3,525,772	3,667,936	3,331,907	956	335,073
------------------------------------------------------	-----------	-----------	-----------	-----	---------

TEACHING - REGULAR SCHOOL	25,224,369	25,318,223	22,834,131	84,270	2,399,822
----------------------------------	------------	------------	------------	--------	-----------

PROGRAMS FOR STUDENTS WITH DISABILITIES	19,256,275	18,708,343	16,516,355	141,215	2,050,773
----------------------------------------------------	------------	------------	------------	---------	-----------

OCCUPATIONAL EDUCATION	2,998,077	3,148,077	2,943,471	-	204,606
-------------------------------	-----------	-----------	-----------	---	---------

TEACHING - SPECIAL SCHOOLS	27,435	32,757	19,409	-	13,348
-----------------------------------	--------	--------	--------	---	--------

(Continued)

Washingtonville Central School District, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget
INSTRUCTION (Continued)					
INSTRUCTIONAL MEDIA					
School library and audiovisual	\$ 668,305	\$ 666,216	\$ 637,730	\$ 368	\$ 28,118
Computer assisted instruction	2,316,265	2,179,563	2,032,800	55,559	91,204
Total Instructional Media	2,984,570	2,845,779	2,670,530	55,927	119,322
PUPIL SERVICES					
Attendance - Regular school	81,065	93,268	81,628	-	11,640
Guidance - Regular school	1,402,367	1,409,367	1,315,466	-	93,901
Health services - Regular school	778,165	762,738	689,850	43,644	29,244
Psychological services - Regular school	766,513	766,254	750,429	-	15,825
Social work services - Regular school	307,530	307,530	131,053	-	176,477
Co-curricular activities - Regular school	232,017	235,392	217,152	4,371	13,869
Interscholastic athletics - Regular school	926,050	939,139	876,360	35,159	27,620
Total Pupil Services	4,493,707	4,513,688	4,061,938	83,174	368,576
Total Instruction	58,510,205	58,234,803	52,377,741	365,542	5,491,520
PUPIL TRANSPORTATION					
District transportation services	5,678,289	4,398,405	3,789,162	40,722	568,521
Contract transportation	5,560,783	6,738,728	6,375,588	-	363,140
Building	600,377	608,877	535,217	1,560	72,100
Total Pupil Transportation	11,839,449	11,746,010	10,699,967	42,282	1,003,761

EMPLOYEE BENEFITS

State retirement	1,170,475	926,014	885,566	-	40,448
Teachers' retirement	4,173,982	3,661,549	3,661,549	-	-
Social security	3,784,713	3,446,883	3,394,778	-	52,105
Life insurance	66,000	67,863	67,863	-	-
Hospital, medical and dental insurance	20,312,469	18,886,745	18,640,210	-	246,535
Workers' compensation	733,808	667,307	575,541	-	91,766
Unemployment benefits	35,000	35,000	6,948	-	28,052
Disability insurance	8,850	8,850	8,140	-	710
Other	180,258	473,647	473,647	-	-
	<u>30,465,555</u>	<u>28,173,858</u>	<u>27,714,242</u>	<u>-</u>	<u>459,616</u>

DEBT SERVICE

Principal					
Serial bonds	4,545,000	4,545,000	4,545,000	-	-
Energy performance contract	283,109	283,109	283,108	-	1
Leases	-	153,307	153,307	-	-
	<u>4,828,109</u>	<u>4,981,416</u>	<u>4,981,415</u>	<u>-</u>	<u>1</u>
Interest					
Serial bonds	1,527,624	1,527,624	1,527,624	-	-
Energy performance contract	68,237	111,391	111,391	-	-
Leases	-	10,077	10,077	-	-
	<u>1,595,861</u>	<u>1,649,092</u>	<u>1,649,092</u>	<u>-</u>	<u>-</u>
Total Debt Service	<u>6,423,970</u>	<u>6,630,508</u>	<u>6,630,507</u>	<u>-</u>	<u>1</u>

TOTAL EXPENDITURES

	<u>117,996,183</u>	<u>116,279,208</u>	<u>107,050,257</u>	<u>1,143,780</u>	<u>8,085,171</u>
--	--------------------	--------------------	--------------------	------------------	------------------

OTHER FINANCING USES

Transfers out					
Capital Projects Fund	100,000	1,572,771	1,572,771	-	-
Special Aid Fund	135,000	623,926	623,926	-	-
School Lunch Fund	50,000	50,000	24,135	-	25,865
	<u>285,000</u>	<u>2,246,697</u>	<u>2,220,832</u>	<u>-</u>	<u>25,865</u>

TOTAL EXPENDITURES AND OTHER FINANCING USES

	<u>\$ 118,281,183</u>	<u>\$ 118,525,905</u>	<u>\$ 109,271,089</u>	<u>\$ 1,143,780</u>	<u>\$ 8,111,036</u>
--	-----------------------	-----------------------	-----------------------	---------------------	---------------------

See independent auditors' report.

Washingtonville Central School District, New York

Capital Projects Fund
 Project-Length Schedule
 Inception of Project Through June 30, 2023

PROJECT	Authorization	Expenditures and Transfers to Date			Unexpended Balance
		Prior Years	Current Year	Total	
Construction and Reconstruction	\$ 59,995,174	\$ 56,744,988	\$ 170,435	\$ 56,915,423	\$ 3,079,751
Capital outlay project	100,000	99,189	-	99,189	811
Capital outlay project	100,000	83,098	-	83,098	16,902
Capital outlay project	100,000	-	-	-	100,000
Capital outlay project 2022-2023	100,000	-	100,000	100,000	-
Energy performance contract	7,351,124	3,808,897	2,700,448	6,509,345	841,779
Buses	1,473,000	-	-	-	1,473,000
Lease - network printers	216,444	-	216,444	216,444	-
Totals	<u>\$ 69,435,742</u>	<u>\$ 60,736,172</u>	<u>\$ 3,187,327</u>	<u>\$ 63,923,499</u>	<u>\$ 5,512,243</u>

See independent auditors' report.

Proceeds of Obligations	Methods of Financing			Fund Balance (Deficit) at June 30, 2023
	Transfers In	Other	Total	
\$ 47,842,620	\$ 10,194,202	\$ -	\$ 58,036,822	\$ 1,121,399
-	100,000	-	100,000	811
-	100,000	-	100,000	16,902
-	100,000	-	100,000	100,000
-	100,000	-	100,000	-
7,334,454	-	-	7,334,454	825,109
-	1,472,771	-	1,472,771	1,472,771
-	-	216,444	216,444	-
<u>\$ 55,177,074</u>	<u>\$ 12,066,973</u>	<u>\$ 216,444</u>	<u>\$ 67,460,491</u>	<u>\$ 3,536,992</u>

Washingtonville Central School District, New York

Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2023

	School Lunch	Special Purpose	Debt Service	Total Non-Major Governmental Funds
ASSETS				
Cash and equivalents	\$ 695,952	\$ 272,880	\$ 915,987	\$ 1,884,819
Receivables				
Accounts	3,781	-	1,559	5,340
State and Federal Aid	73,305	-	-	73,305
	<u>77,086</u>	<u>-</u>	<u>1,559</u>	<u>78,645</u>
Inventories	<u>29,756</u>	<u>-</u>	<u>-</u>	<u>29,756</u>
Total Assets	<u>\$ 802,794</u>	<u>\$ 272,880</u>	<u>\$ 917,546</u>	<u>\$ 1,993,220</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accrued liabilities	\$ 1,097	\$ -	\$ -	\$ 1,097
Due to other funds	159,237	-	-	159,237
Due to other governments	439	-	-	439
Unearned revenues	193,447	-	-	193,447
Total Liabilities	<u>354,220</u>	<u>-</u>	<u>-</u>	<u>354,220</u>
Fund balances				
Nonspendable	29,756	-	-	29,756
Restricted	-	272,880	917,546	1,190,426
Assigned	418,818	-	-	418,818
Total Fund Balances	<u>448,574</u>	<u>272,880</u>	<u>917,546</u>	<u>1,639,000</u>
Total Liabilities and Fund Balances	<u>\$ 802,794</u>	<u>\$ 272,880</u>	<u>\$ 917,546</u>	<u>\$ 1,993,220</u>

See independent auditors' report.

Washingtonville Central School District, New York

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2023

	School Lunch	Special Purpose	Debt Service	Total Non-Major Governmental Funds
REVENUES				
Use of money and property	\$ -	\$ 162	\$ 820	\$ 982
State aid	37,748	-	-	37,748
Federal aid	1,061,264	-	-	1,061,264
Food sales	1,006,517	-	-	1,006,517
Miscellaneous	27,826	276,227	-	304,053
Total Revenues	2,133,355	276,389	820	2,410,564
EXPENDITURES				
Current				
Employee benefits	243,983	-	-	243,983
Cost of food sales	1,842,959	-	-	1,842,959
Other	-	249,694	-	249,694
Total Expenditures	2,086,942	249,694	-	2,336,636
Excess of Revenues Over Expenditures	46,413	26,695	820	73,928
OTHER FINANCING SOURCES				
Transfers in	24,135	-	-	24,135
Net Change in Fund Balances	70,548	26,695	820	98,063
FUND BALANCES				
Beginning of Year, as Reported	378,026	-	916,726	1,294,752
Prior Period Adjustment	-	246,185	-	246,185
Beginning of Year, as Restated	378,026	246,185	916,726	1,540,937
End of Year	\$ 448,574	\$ 272,880	\$ 917,546	\$ 1,639,000

See independent auditors' report.

Washingtonville Central School District, New York

General Fund Analysis of Change from Adopted Budget to Final Budget Year Ended June 30, 2023

Adopted Budget	\$ 116,675,305
Additions - Encumbrances	<u>1,605,878</u>
Original Budget	118,281,183
Budget Amendments	<u>244,722</u>
Final Budget	<u><u>\$ 118,525,905</u></u>

General Fund Section 1318 of Real Property Tax Law Limit Calculation

2023-24 Expenditure Budget	\$ <u>124,356,502</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	
Unrestricted fund balance	
Assigned fund balance	\$ 4,893,780
Unassigned fund balance	<u>6,143,269</u>
Total Unrestricted Fund Balance	<u>11,037,049</u>
Less	
Appropriated for subsequent year's budget	3,750,000
Encumbrances	<u>1,143,780</u>
Total Adjustments	<u>4,893,780</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 6,143,269</u></u>
Actual Percentage	<u><u>4.94%</u></u>

See independent auditors' report.

Washingtonville Central School District, New York

Schedule of Net Investment in Capital Assets
Year Ended June 30, 2023

Capital Assets, net		\$ 103,998,849
Less		
General obligation bonds payable - Capital construction	\$ (46,605,000)	
Energy performance contract payable	(6,926,046)	
Leases payable	(231,223)	
Unamortized portion of issuance premium on bonds	<u>(158,778)</u>	(53,921,047)
Plus		
Unexpended bond proceeds	825,109	
Unamortized portion of loss on refunding bonds	<u>3,532</u>	<u>828,641</u>
Net Investment in Capital Assets		<u><u>\$ 50,906,443</u></u>

See independent auditors' report.



**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in Accordance
With Government Auditing Standards**

Independent Auditors' Report

**The Board of Education of the
Washingtonville Central School District, 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, each major fund and the aggregate remaining fund information of the Washingtonville Central School District, New York ("School District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated November 9, 2023.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

November 9, 2023



**Report on Compliance For Each Major Federal Program and Report on
Internal Control Over Compliance Required by
the Uniform Guidance**

Independent Auditors' Report

**The Board of Education of the
Washingtonville Central School District, New York**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Washingtonville Central School District, New York's ("School District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2023. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

November 9, 2023

Washingtonville Central School District, New York

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Provided to Sub- Recipients</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>				
Indirect Programs - Passed through New York State Department of Education				
<i>Child Nutrition Cluster</i>				
School Breakfast Program	10.553	N/A	\$ -	\$ 109,552
National School Lunch Program - Commodities	10.555	N/A	-	101,343
National School Lunch Program - Cash	10.555	N/A	-	774,001
Summer Food Service Program for Children	10.559	N/A	-	76,368
Subtotal Child Nutrition Cluster			-	1,061,264
<u>U.S. Department of the Interior</u>				
National Park Service Conservation, Protection, Outreach, and Education - Junior Reserve Officer Training Corps	15.954	N/A	-	77,348
<u>U.S. Department of Education</u>				
Indirect Programs - Passed through New York State Department of Education				
<i>Special Education Cluster (IDEA)</i>				
Special Education - Grants to States	84.027	0032-23-0675	-	921,670
Special Education - ARP Supplemental 611	84.027	5532-22-0675	-	186,743
Special Education - Preschool Grants	84.173	0033-23-0675	-	39,441
Special Education - ARP Supplemental 619	84.173	5533-22-0675	-	20,175
Subtotal Special Education Cluster			-	1,168,029
Title I Grants to Local Educational Agencies	84.010	011-22-2198	-	58,285
Title I Grants to Local Educational Agencies	84.010	021-22-2220	-	3,084
Title I Grants to Local Educational Agencies	84.010	011-23-2198	-	158,089
Title I Grants to Local Educational Agencies	84.010	011-23-8106	-	2,107
Title I Grants to Local Educational Agencies	84.010	021-23-2220	-	768,710
			-	990,275
English Language Acquisition State Grants	84.365	0293-23-2220	-	12,475
Supporting Effective Instruction State Grants	84.367	0147-22-2220	-	17,600
Supporting Effective Instruction State Grants	84.367	0147-23-2220	-	105,121
			-	122,721
Student Support and Academic Enrichment Program	84.424	0204-22-2220	-	5,048
Student Support and Academic Enrichment Program	84.424	0204-23-2220	-	8,031
			-	13,079
Governor's Emergency Education Relief (GEER) Fund (CARES) Elementary and Secondary School Emergency Relief (ESSER) Fund (CARES)	84.425C	5896-21-2220	-	136,444
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425D	5891-21-2220	-	949,169
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	5880-21-2220	-	290,996
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	5883-21-2220	-	15,627
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	5884-21-2220	-	238,461
			-	1,630,697
Total U.S. Department of Education			-	3,937,276
Total Expenditures of Federal Awards			\$ -	\$ 5,075,888

N/A - Information not available

The accompanying notes are an integral part of this schedule.

Washingtonville Central School District, New York

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal award activity of the New Paltz Central School District, New York ("School District") under programs of the federal government for the year ended June 30, 2023. Federal awards received directly from the Federal agencies as well as Federal awards passed through other government agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the School District.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3 - Indirect Cost Rate

The School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Washingtonville Central School District, New York

Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued
on whether the financial statements audited
were prepared in accordance with GAAP

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

___ Yes X No
___ Yes X None reported

Noncompliance material to financial statements
noted?

___ Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

___ Yes X No
___ Yes X None reported

Type of auditors' report issued on compliance
for major federal programs

Unmodified

Any audit findings disclosed that are
required to be reported in accordance with
2 CFR 200.516(a)?

___ Yes X No

Identification of major federal programs:

Assistance

Listing Number(s)

Name of Federal Program or Cluster

10.553

Child Nutrition Cluster

10.555

School Breakfast Program

10.555

National School Lunch Program – Commodities

10.559

National School Lunch Program – Cash

Summer Food Service Program for Children

84.010

Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish
between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

X Yes ___ No

Washingtonville Central School District, New York

Schedule of Findings and Questioned Costs (Concluded)
Year Ended June 30, 2023

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Washingtonville Central School District, New York

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2023

None