

**OSWEGO CITY SCHOOL DISTRICT**

**BASIC FINANCIAL STATEMENTS**

**For Year Ended June 30, 2023**



BUSINESS  
ADVISORS  
AND CPAS

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BUSINESS  
ADVISORS  
AND CPAS

## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Oswego City 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 Oswego City School District, New York, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Oswego City 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*

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in District's total OPEB liability and related ratio, schedule of the District's proportionate share of the net pension liability, schedule of District contributions, and budgetary comparison information on pages 4-15 and 52-56 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 Oswego City School District's basic financial statements. The accompanying supplemental information as listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information as listed in the table of contents and schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as listed in the table of contents and schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2023 on our consideration of Oswego City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Oswego City School District's internal control over financial reporting and compliance.

*Mengel, Metzger, Barw & Co. LLP*

Rochester, New York  
October 5, 2023

## Oswego City School District

### Management's Discussion and Analysis

#### For the Fiscal Year Ended June 30, 2023

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

#### Financial Highlights

At the close of the fiscal year, the total liabilities plus deferred inflows (what the district owes) exceeded its total assets plus deferred outflows (what the district owns) by \$186,498,398 (net position) an increase of \$8,402,715 from the prior year.

As of the close of the fiscal year, the School District's governmental funds reported combined fund balances of \$4,361,235 an increase of \$2,699,196 in comparison with the prior year.

General revenues which include Federal and State Aid, Real Property Taxes, Investment Earnings, Compensation for Loss, and Miscellaneous accounted for \$102,925,408 or 90% of all revenues. Program specific revenues in the form of Charges for services and Operating Grants and Contributions accounted for \$11,306,871 or 10% of total revenues.

#### Overview of the Financial Statements

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

#### *Government-Wide Financial Statements*

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

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

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

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

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

### *Fund Financial Statements*

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

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

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

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

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

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

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

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

*Notes to the Financial Statements*

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

**Government-Wide Statements**

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

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

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

**Financial Analysis of the School District As A Whole**

**Net Position**

	<b>Governmental Activities</b>		<b>Total Variance</b>
	<b><u>2023</u></b>	<b><u>2022</u></b>	
<b><u>ASSETS:</u></b>			
Current and Other Assets	\$ 56,972,155	\$ 79,658,344	\$ (22,686,189)
Capital Assets	109,452,493	106,002,450	3,450,043
<b>Total Assets</b>	<b><u>\$ 166,424,648</u></b>	<b><u>\$ 185,660,794</u></b>	<b><u>\$ (19,236,146)</u></b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES:</u></b>			
Deferred Outflows of Resources	<b><u>\$ 59,682,505</u></b>	<b><u>\$ 70,961,997</u></b>	<b><u>\$ (11,279,492)</u></b>
<b><u>LIABILITIES:</u></b>			
Long-Term Debt Obligations	\$ 293,764,365	\$ 298,147,015	\$ (4,382,650)
Other Liabilities	53,496,974	43,260,916	10,236,058
<b>Total Liabilities</b>	<b><u>\$ 347,261,339</u></b>	<b><u>\$ 341,407,931</u></b>	<b><u>\$ 5,853,408</u></b>
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>			
Deferred Inflows of Resources	<b><u>\$ 65,344,212</u></b>	<b><u>\$ 110,115,974</u></b>	<b><u>\$ (44,771,762)</u></b>
<b><u>NET POSITION:</u></b>			
Net Investment in Capital Assets	\$ 58,424,796	\$ 53,819,432	\$ 4,605,364
<u>Restricted For,</u>			
Unemployment Insurance Reserve	5,310,127	4,251,665	1,058,462
Capital Reserves	10,037,759	6,675,042	3,362,717
Other Purposes	14,401,250	13,319,342	1,081,908
Unrestricted	(274,672,330)	(272,966,594)	(1,705,736)
<b>Total Net Position</b>	<b><u><u>\$ (186,498,398)</u></u></b>	<b><u><u>\$ (194,901,113)</u></u></b>	<b><u><u>\$ 8,402,715</u></u></b>

**Key Variances**

- Current and Other Assets decreased as a result of the NYS ERS and TRS pension systems no longer reporting a net pension asset in 2023
- Deferred Outflows of Resources decreased as a result of changes in assumptions to be amortized decreasing for OPEB
- Other Liabilities increased as a result of the issuance of a BAN to finance current capital project activity
- Deferred Inflows of Resources decreased as a result of decreases to the pension system amortization of the net differences between projected and actual earnings on plan investments

By far, the largest component of the School District's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to the students and consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The District reports deficit unrestricted net position and total net position as a result of the recognition of the OPEB obligation totalling \$260,862,023 in the current year and included in long-term debt obligations.

**Changes in Net Position**

The District’s total revenue increased 10% to \$114,232,279. State and federal aid 41% and property taxes 46% accounted for most of the District’s revenue. The remaining 13% of the revenue comes from charges for services, operating grants, investment earnings, compensation for loss, and miscellaneous revenues.

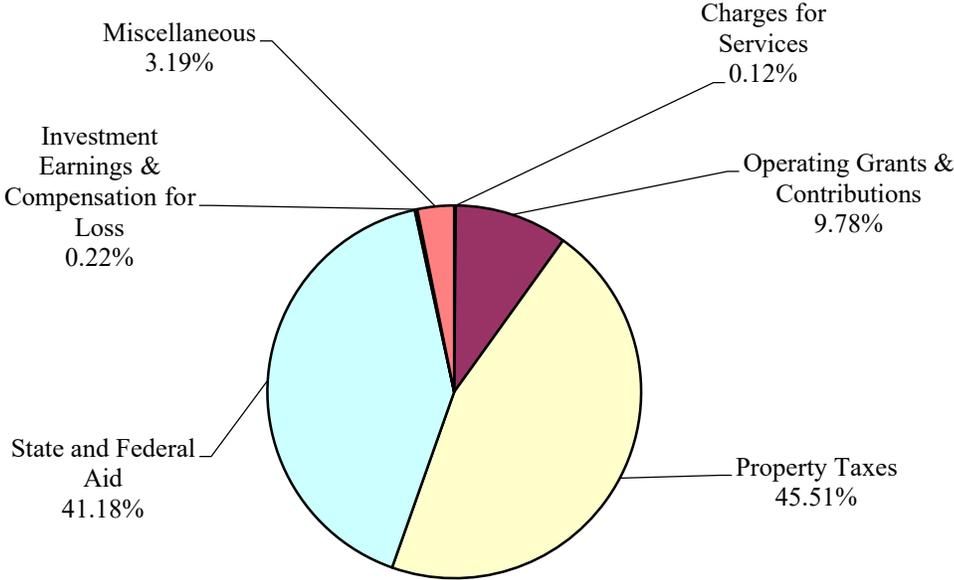
The total cost of all the programs and services increased 22% to \$105,829,564. The District’s expenses are predominately related to education and caring for the students (Instruction) 75%. General support which included expenses associated with the operation, maintenance and administration of the District accounted for 14% of the total costs. See table below:

	<b>Governmental Activities</b>		<b>Total Variance</b>
	<b><u>2023</u></b>	<b><u>2022</u></b>	
<b><u>REVENUES:</u></b>			
<b><u>Program -</u></b>			
Charges for Service	\$ 137,839	\$ 88,946	\$ 48,893
Operating Grants & Contributions	11,169,032	10,274,817	894,215
<b>Total Program</b>	<b>\$ 11,306,871</b>	<b>\$ 10,363,763</b>	<b>\$ 943,108</b>
<b><u>General -</u></b>			
Property Taxes	\$ 51,983,865	\$ 51,974,809	\$ 9,056
State and Federal Aid	47,046,522	38,103,082	8,943,440
Investment Earnings	192,861	4,565	188,296
Compensation for Loss	54,637	185,468	(130,831)
Miscellaneous	3,647,523	3,622,508	25,015
<b>Total General</b>	<b>\$ 102,925,408</b>	<b>\$ 93,890,432</b>	<b>\$ 9,034,976</b>
<b>TOTAL REVENUES</b>	<b>\$ 114,232,279</b>	<b>\$ 104,254,195</b>	<b>\$ 9,978,084</b>
<b><u>EXPENSES:</u></b>			
General Support	\$ 14,471,481	\$ 12,892,711	\$ 1,578,770
Instruction	79,534,971	65,956,228	13,578,743
Pupil Transportation	7,101,755	4,568,772	2,532,983
School Lunch	2,083,190	1,643,251	439,939
Interest	2,638,167	1,669,462	968,705
<b>TOTAL EXPENSES</b>	<b>\$ 105,829,564</b>	<b>\$ 86,730,424</b>	<b>\$ 19,099,140</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 8,402,715</b>	<b>\$ 17,523,771</b>	
<b>NET POSITION, BEGINNING OF YEAR</b>	<b>(194,901,113)</b>	<b>(212,424,884)</b>	
<b>NET POSITION, END OF YEAR</b>	<b>\$ (186,498,398)</b>	<b>\$ (194,901,113)</b>	

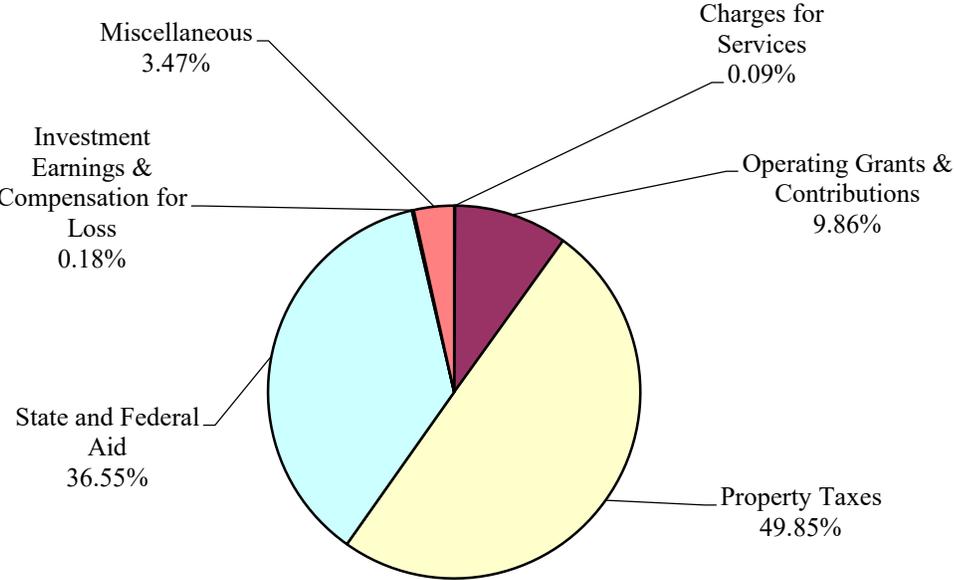
**Key Variances**

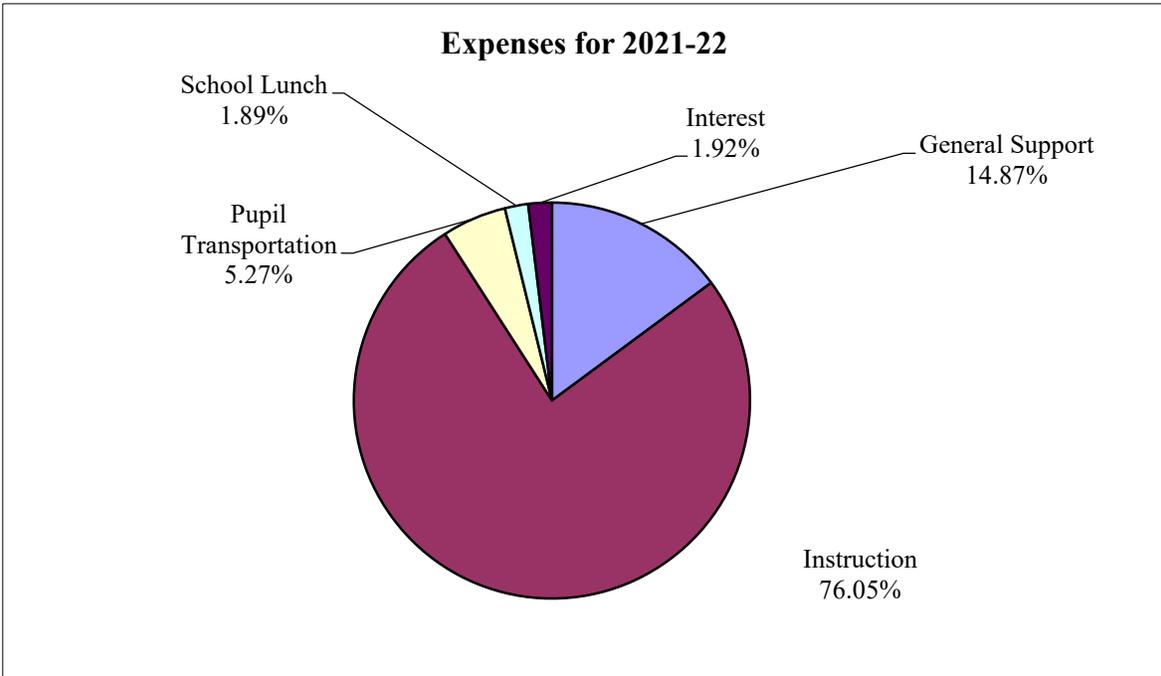
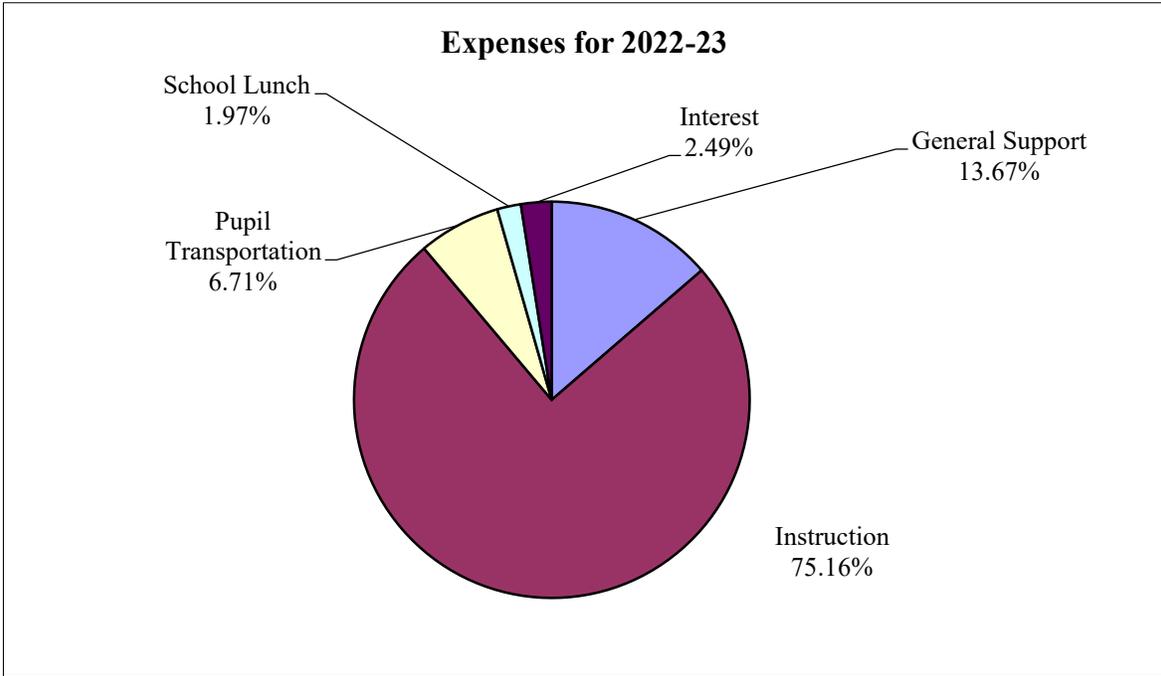
- State and Federal Aid revenue increased as a result of foundation aid and building aid increases
- Instruction expense increased as a result of federal stimulus spending and the impact of the ERS and TRS pension systems

**Revenue for 2022-23**



**Revenue for 2021-22**





**Financial Analysis of the School District's Funds**

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported combined fund balances of \$4,361,235 which is more than last year's ending fund balance of \$1,662,039.

The General Fund is the chief operating fund of the District. At the end of the current year, the total fund balance of the General Fund was \$31,809,722. Fund balance for the General Fund increased by \$4,790,052 compared with the prior year. See table below:

<b><u>General Fund Balances:</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>Total Variance</u></b>
Restricted	\$ 27,256,521	\$ 22,781,977	\$ 4,474,544
Assigned	419,888	351,254	68,634
Unassigned	4,133,313	3,886,439	246,874
<b>Total General Fund Balances</b>	<b><u>\$ 31,809,722</u></b>	<b><u>\$ 27,019,670</u></b>	<b><u>\$ 4,790,052</u></b>

**General Fund Budgetary Highlights**

The difference between the original budget and the final amended budget was \$2,624,973 which is attributable to \$351,254 of carryover encumbrances from the 2021-22 school year, \$116,679 for a donation for Minetto Playground, \$9,548 for an amended bus repair, and \$2,850,000 for health insurance and soil emergency project.

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

<b>Revenue Items:</b>	<b>Budget Variance Original Vs. Amended</b>	<b>Explanation for Budget Variance</b>
Miscellaneous	\$1,066,678	Amended for additional increase in prescription plan rebates
State Sources	\$750,000	Additional building aid was received for soil remediation project
<b>Expenditure Items:</b>	<b>Budget Variance Original Vs. Amended</b>	<b>Explanation for Budget Variance</b>
Instructional	\$649,637	Increase in Salaries and programming post Covid
Employee Benefits	\$2,325,989	Additional expenditures incurred for self-funded health insurance
Transfer-Out	\$750,000	Additional expenditures incurred for soil remediation project transfer to Capital.

<b>Revenue Items:</b>	<b>Budget Variance Amended Vs. Actual</b>	<b>Explanation for Budget Variance</b>
Miscellaneous	\$998,841	Prescription Plan rebates more than anticipated.
<b>Expenditure Items:</b>	<b>Budget Variance Amended Vs. Actual</b>	<b>Explanation for Budget Variance</b>
Instructional	\$911,812	Increase in salaries and additional mental health programming
Employee Benefits	\$1,202,533	Increase in Health Insurance

### Capital Asset and Debt Administration

#### Capital Assets

By the end of the 2023 fiscal year, the District had invested \$109,070,780 in a broad range of capital assets, including land, work in progress, buildings and improvements, and machinery and equipment. The change in capital assets, net of accumulated depreciation, is reflected below:

	<u>2023</u>	<u>2022</u>
<b><u>Capital Assets</u></b>		
Land	\$ 1,020,361	\$ 1,020,361
Work in Progress	38,529,503	31,619,951
Buildings and Improvements	65,978,402	68,439,560
Machinery and Equipment	3,542,514	4,441,374
<b>Total Capital Assets</b>	<b><u>\$ 109,070,780</u></b>	<b><u>\$ 105,521,246</u></b>
<b><u>Lease Assets</u></b>		
Equipment	\$ 381,713	\$ 481,204
<b>Total Lease Assets</b>	<b><u>\$ 381,713</u></b>	<b><u>\$ 481,204</u></b>

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

#### Long-Term Debt

At year end, the District had \$293,764,365 in general obligation bonds and other long-term debt outstanding as follows:

<b>Type</b>	<b><u>2023</u></b>	<b><u>2022</u></b>
Serial Bonds	\$ 19,873,000	\$ 24,310,000
Workers' Comp Claims	229,423	154,138
Lease Liability	116,908	157,160
OPEB	260,862,023	270,184,825
Net Pension Liability	9,108,454	-
BOCES Preschool Deficit	337,128	337,128
Retainage	346,019	63,575
Compensated Absences	2,891,410	2,953,315
<b>Total Long-Term Obligations</b>	<b><u>\$ 293,764,365</u></b>	<b><u>\$ 298,160,141</u></b>

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

## Factors Bearing on the District's Future

### **Property Tax Cap:**

During 2011 the Governor signed Chapter 97 of the Laws of 2011, Part A- Property Tax Cap, affecting all local governments and establishing a property tax cap. The tax cap went into effect for the District's 2012-13 budget and under this law the growth in the property tax levy, the total amount to be raised through property taxes charged on the District's taxable assessed value of property, is capped at two percent or the rate of inflation, whichever is less, with some exceptions. Additionally, the district will have debt falling off that also affects the district ability to raise taxes. A 63.1 M capital project was approved by the voters and although tiered over five phases should help to mitigate the debt fall off. The district is currently in Phase 3A and 3B of the project. Due to economic issues the following budget impacts: COVID, manpower shortages, supply chain issues, inflation and the limitation of using the Apprenticeship program, there is approximately \$12.2M remaining of the \$63.1 budget to do \$31.4M of remaining site work.

### **PILOT Agreements:**

The District's has settled a five year Intermunicipal agreement with the County of Oswego, Town of Scriba and Nine Mile I and II. The chart below represents the district's share of the PILOT agreement over the life of the PILOT. Where the last PILOT was deescalating, this PILOT agreement stabilizes the district revenue.

Fiscal Year	Payment	Decrease
2020-2021	20,550,000	0
2021-2022	20,892,500	342,000
2022-2023	20,892,500	0
2023-2024	20,892,500	0
2024-2025	20,892,500	0
Total	104,120,000	

The district will begin Nuclear Negotiations this year into next year.

### **Post-Employment Health Benefits:**

In fiscal year 2009, the District was required to report more accurately post-employment benefit costs. An actuarial study to calculate the total post-employment benefit liability was performed. The District has elected to recognize these costs of \$261 million over thirty years.

### **Retirement System Contributions:**

The Districts' pension contribution for the Employees' Retirement System is tiered. The district is anticipating that both ERS and TRS rates will increase for the 2023-2024 school year. We are anticipating increased costs due to inflation and the decreased rate of return from the stock market.

### **Employee Contract Negotiations:**

All bargaining Unit contracts have been settled as follows:

CSEA	7/1/21 to 06/30/25
AAP	7/1/21 to 06/30/23
COASA	7/1/21 to 06/30/23
OCTA	7/1/21 to 06/30/24

### **Annual Professional Performance Review (APPR):**

APPR regulations from the NY State Department of Education require school districts and BOCES to annually evaluate the performance of probationary and tenured teachers providing instructional and pupil personnel services. The procedures for evaluating teachers are a mandatory subject of collective bargaining and have resulted in additional mandated costs for the District.

**Common Core Learning Standards:**

As part of the Regents Reform Agenda, New York State has embarked on a comprehensive reform initiative to ensure that schools prepare students with the knowledge and skills they need to succeed in college and in their careers. The Board of Regents adopted the Common Core State Standards for English Language Arts & Literacy and Mathematics creating Common Core Learning Standards (CCLS) in 2011.

The NYS Board of Regents adopted the newly revised ELA and Mathematics Learning Standards on September 11, 2017. The implementation timeline projected over the coming years includes awareness during the 2017-2018 school year and capacity building for the school years of 2018-2019 and 2019-2020 with the full implementation to take place September of 2020. This will have a direct impact on the professional development required during the next several years as well as additional costs.

**Next Generation Learning Standards:**

The Board of Regents adopted the newly revised English Language Arts and Mathematics Learning Standards on September 11, 2017. The new standards have been the result of over two years of collaborative work to ensure New York State has the best learning standards for our students. Over 130 educators and parents worked together to make recommendations and revise the standards, resulting in a new set of revised English Language Arts and Mathematics Learning Standards. New standards will also be rolled out in the future for Science and Social Studies.

**Online Computer Based Testing:**

The New York State Education Department continues to transition to computer-based testing (CBT) as part of its commitment to both meeting the needs of 21st century learners and improving test delivery, test integrity, scoring validity, and turn-around time on testing results.

Beginning with 2016, New York State started administering some statewide assessments on computer. Grades 3-8 computer-based testing has been fully implemented.

**Lead & Carbon Monoxide Testing:**

New York State has adopted a rule that amends the Uniform Fire Prevention and Building Code by adding provisions requiring the installation of carbon monoxide detection in all new and existing commercial buildings that have appliances, devices or systems that may emit carbon monoxide, effective on June 27, 2015. Carbon Monoxide detectors with 10 year batteries have been installed at all locations where necessary.

In September 2016, legislation was passed requiring all school districts and Boces in NYS to test potable water systems for lead contamination and take responsive actions. The district did test all potable sources and implemented short term measures to correct these issues.

Lead testing was done again in 2021. Schools included in the capital project have had lead remediation done as part of the Capital Project. The district is closely monitoring state mandates with regards to lead in schools are currently in compliance. While these efforts keep the school district in compliance, long term corrections need to be put in place and included as part of any new capital project.

**COVID -19**

Although schools are back in full session, COVID 19 issues continue to create staffing problems in our schools. Teacher Substitutes are not available as in previous years. There is a shortage of qualified people willing to work in all areas including support staff. There is a nation-wide shortage of bus drivers and we do not see an end to this issue in the near future. Students are also coming in with more mental health needs requiring services.

**Electric Buses**

The state requires all new school buses to be zero-emissions (electric or hydrogen) by 2027 and all school buses to be zero emissions by 2035. SED may delay implementation if the 2027 deadline cannot be met without unreasonable cost or parts from overseas. School districts may apply for a one-time, two-year implementation waiver from SED. The current cost of an electric bus is 3 times the cost of a diesel. Costs also do not include any retrofitting of transportation departments to accommodate charging stations.

**Federal Grants**

The 2023-2024 school year is the last year for the Federal ARP funding. The district has \$2.8M in the Federal Fund which is used to offset expenditures. The reality is that not all of the expenditures applied to this grant are sustainable. Some of the expenses will need to be included in the 2024-2025 budget.

**Foundation Aid**

The 2023-2024 school year is the last year for large increases in Foundation Aid for small city school districts. This was the result of the Campaign for Fiscal Equity Lawsuit which showed that small city school districts had been underfunded for years. Going forward Foundation Aid increases will be held to a small percentage annual increase if the state budget permits.

**Contacting the School District's Financial Management**

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

Oswego City School District  
Education Center  
120 East First Street, Oswego New York 13126

**OSWEGO CITY SCHOOL DISTRICT, NEW YORK**

**Statement of Net Position**

**June 30, 2023**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 44,151,050
Accounts receivable	12,772,924
Inventories	48,181
<b>Capital Assets:</b>	
Land	1,020,361
Work in progress	38,529,503
Other capital assets (net of depreciation)	69,902,629
<b>TOTAL ASSETS</b>	<b><u>\$ 166,424,648</u></b>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources	<b><u>\$ 59,682,505</u></b>
 <b>LIABILITIES</b>	
Accounts payable	\$ 438,829
Accrued liabilities	3,336,761
Unearned revenues	53,813
Due to other governments	325,569
Due to teachers' retirement system	4,382,435
Due to employees' retirement system	275,845
Bond anticipation notes payable	44,570,000
Other Liabilities	113,722
<b>Long-Term Obligations:</b>	
Due in one year	6,684,424
Due in more than one year	287,079,941
<b>TOTAL LIABILITIES</b>	<b><u>\$ 347,261,339</u></b>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources	<b><u>\$ 65,344,212</u></b>
 <b>NET POSITION</b>	
Net investment in capital assets	\$ 58,424,796
<b>Restricted For:</b>	
Unemployment insurance reserve	5,310,127
Capital reserves	10,037,759
Other purposes	14,401,250
Unrestricted	(274,672,330)
<b>TOTAL NET POSITION</b>	<b><u>\$ (186,498,398)</u></b>

(See accompanying notes to financial statements)

**OSWEGO CITY SCHOOL DISTRICT, NEW YORK**

**Statement of Activities**

**For The Year Ended June 30, 2023**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Revenue and Changes in Net Position</u>
				<u>Governmental Activities</u>
<b><u>Primary Government</u></b> -				
General support	\$ 14,471,481	\$ -	\$ -	\$ (14,471,481)
Instruction	79,534,971	20,215	9,117,301	(70,397,455)
Pupil transportation	7,101,755	-	-	(7,101,755)
School lunch	2,083,190	117,624	2,051,731	86,165
Interest	2,638,167	-	-	(2,638,167)
<b>Total Primary Government</b>	<b><u>\$ 105,829,564</u></b>	<b><u>\$ 137,839</u></b>	<b><u>\$ 11,169,032</u></b>	<b><u>\$ (94,522,693)</u></b>
<b>General Revenues:</b>				
Property taxes				\$ 51,983,865
State and federal aid				47,046,522
Investment earnings				192,861
Compensation for loss				54,637
Miscellaneous				3,647,523
<b>Total General Revenues</b>				<b><u>\$ 102,925,408</u></b>
Changes in Net Position				\$ 8,402,715
<b>Net Position, Beginning of Year</b>				<u>(194,901,113)</u>
<b>Net Position, End of Year</b>				<b><u>\$ (186,498,398)</u></b>

(See accompanying notes to financial statements)

OSWEGO CITY SCHOOL DISTRICT, NEW YORK

Balance Sheet

Governmental Funds

June 30, 2023

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 29,458,585	\$ 10,823,668	\$ 3,868,797	\$ 44,151,050
Receivables	8,022,296	-	4,750,628	12,772,924
Inventories	-	-	48,181	48,181
Due from other funds	6,216,350	3,641,287	1,045,131	10,902,768
<b>TOTAL ASSETS</b>	<b>\$ 43,697,231</b>	<b>\$ 14,464,955</b>	<b>\$ 9,712,737</b>	<b>\$ 67,874,923</b>
<b>LIABILITIES DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Liabilities -</b>				
Accounts payable	\$ 401,190	\$ 430	\$ 37,209	\$ 438,829
Accrued liabilities	1,600,900	-	9,371	1,610,271
Notes payable - bond anticipation notes	-	44,570,000	-	44,570,000
Due to other funds	3,951,915	586,295	6,364,558	10,902,768
Due to other governments	325,000	-	569	325,569
Due to TRS	4,382,435	-	-	4,382,435
Due to ERS	275,845	-	-	275,845
Other liabilities	113,722	-	-	113,722
Compensated absences	174,002	-	3,934	177,936
Unearned revenue	-	-	53,813	53,813
<b>TOTAL LIABILITIES</b>	<b>\$ 11,225,009</b>	<b>\$ 45,156,725</b>	<b>\$ 6,469,454</b>	<b>\$ 62,851,188</b>
<b>Deferred Inflows -</b>				
Deferred inflows of resources	\$ 662,500	\$ -	\$ -	\$ 662,500
<b>Fund Balances -</b>				
Nonspendable	\$ -	\$ -	\$ 48,181	\$ 48,181
Restricted	27,256,521	1,843	2,493,342	29,751,706
Assigned	419,888	-	702,420	1,122,308
Unassigned	4,133,313	(30,693,613)	(660)	(26,560,960)
<b>TOTAL FUND BALANCE</b>	<b>\$ 31,809,722</b>	<b>\$ (30,691,770)</b>	<b>\$ 3,243,283</b>	<b>\$ 4,361,235</b>
<b>TOTAL LIABILITIES DEFERRED INFLOWS AND FUND BALANCES</b>	<b>\$ 43,697,231</b>	<b>\$ 14,464,955</b>	<b>\$ 9,712,737</b>	

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

Capital assets/right to use assets used in governmental activities are not financial resources and therefore are not reported in the funds.	109,452,493
Taxes receivable is deferred for those amounts collected after ninety (90) days on fund basis, while those amounts are recorded as revenue on the full accrual basis.	662,500
Interest is accrued on outstanding bonds in the statement of net position but not in the funds.	(1,726,490)
The following long-term obligations are not due and payable in the current period and therefore are not reported in the governmental funds:	
Serial bonds payable	(19,873,000)
Leases	(116,908)
Retainage	(346,019)
OPEB	(260,862,023)
Compensated absences	(2,713,474)
BOCES obligations	(337,128)
Workers' compensation claims	(229,423)
Deferred outflow - pension	24,455,955
Deferred outflow - OPEB	35,226,550
Net pension liability	(9,108,454)
Deferred inflow - pension	(3,298,445)
Deferred inflow - OPEB	(62,045,767)
<b>Net Position of Governmental Activities</b>	<b>\$ (186,498,398)</b>

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

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Real property taxes and tax items	\$ 52,109,618	\$ -	\$ -	\$ 52,109,618
Charges for services	20,215	-	-	20,215
Use of money and property	159,669	-	33,192	192,861
Sale of property and compensation for loss	54,637	-	-	54,637
Miscellaneous	2,965,519	-	63,705	3,029,224
Interfund revenues	45,729	-	-	45,729
State sources	46,473,822	-	877,228	47,351,050
Federal sources	572,700	-	10,287,726	10,860,426
Sales	-	-	117,624	117,624
<b>TOTAL REVENUES</b>	<b>\$ 102,401,909</b>	<b>\$ -</b>	<b>\$ 11,379,475</b>	<b>\$ 113,781,384</b>
<b>EXPENDITURES</b>				
General support	\$ 10,479,563	\$ -	\$ -	\$ 10,479,563
Instruction	46,468,815	-	7,545,963	54,014,778
Pupil transportation	3,465,663	1,301,158	25,564	4,792,385
Employee benefits	26,210,782	-	1,863,806	28,074,588
Debt service - principal	5,786,312	-	-	5,786,312
Debt service - interest	1,485,004	-	-	1,485,004
Cost of sales	-	-	915,789	915,789
Other expenses	-	-	832,038	832,038
Capital outlay	-	6,633,168	-	6,633,168
<b>TOTAL EXPENDITURES</b>	<b>\$ 93,896,139</b>	<b>\$ 7,934,326</b>	<b>\$ 11,183,160</b>	<b>\$ 113,013,625</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 8,505,770</b>	<b>\$ (7,934,326)</b>	<b>\$ 196,315</b>	<b>\$ 767,759</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers - in	\$ -	\$ 3,641,287	\$ 454,856	\$ 4,096,143
Transfers - out	(3,715,718)	(380,425)	-	(4,096,143)
Proceeds from obligations	-	1,309,060	-	1,309,060
Premium on obligations issued	-	-	622,377	622,377
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ (3,715,718)</b>	<b>\$ 4,569,922</b>	<b>\$ 1,077,233</b>	<b>\$ 1,931,437</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 4,790,052</b>	<b>\$ (3,364,404)</b>	<b>\$ 1,273,548</b>	<b>\$ 2,699,196</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>27,019,670</b>	<b>(27,327,366)</b>	<b>1,969,735</b>	<b>1,662,039</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 31,809,722</b>	<b>\$ (30,691,770)</b>	<b>\$ 3,243,283</b>	<b>\$ 4,361,235</b>

(See accompanying notes to financial statements)

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

**NET CHANGE IN FUND BALANCES -**  
**TOTAL GOVERNMENTAL FUNDS**

\$ 2,699,196

Amounts reported for governmental activities in the Statement of Activities are different because: Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following are the amounts by which capital outlays and additions of assets in excess depreciation in the current period:

Capital Outlay	\$	6,627,108	
Additions to Assets, Net		218,130	
Lease additions, Net		271,412	
Depreciation		<u>(3,666,607)</u>	
			3,450,043

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

Debt Repayments	\$	5,786,312	
Proceeds from Bond Issuance		(1,303,000)	
Proceeds from Lease issuance		<u>(6,060)</u>	
			4,477,252

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (1,153,163)

The retainage liability does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds (282,444)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. (125,753)

The net OPEB liability does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds. 1,454,205

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

Teachers' Retirement System		(1,069,051)	
Employees' Retirement System		(1,034,190)	

Portion of deferred (inflow) / outflow recognized in long term debt -

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

Compensated Absences	\$	61,905	
Workers' Compensation Claims		<u>(75,285)</u>	
			(13,380)

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES**

**\$ 8,402,715**

**OSWEGO CITY SCHOOL DISTRICT, NEW YORK**

**Statement of Fiduciary Net Position**

**June 30, 2023**

	<b>Custodial Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 184,090
<b>TOTAL ASSETS</b>	<b><u>\$ 184,090</u></b>
<b>NET POSITION</b>	
Restricted for individuals, organizations and other governments	\$ 184,090
<b>TOTAL NET POSITION</b>	<b><u><u>\$ 184,090</u></u></b>

**Statement of Changes in Fiduciary Net Position**

**For The Year Ended June 30, 2023**

	<b>Custodial Funds</b>
<b>ADDITIONS</b>	
Library taxes	\$ 1,388,439
Student activity	187,923
<b>TOTAL ADDITIONS</b>	<b><u>\$ 1,576,362</u></b>
<b>DEDUCTIONS</b>	
Student activity	\$ 147,426
Library taxes	1,388,439
<b>TOTAL DEDUCTIONS</b>	<b><u>\$ 1,535,865</u></b>
<b>CHANGE IN NET POSITION</b>	\$ 40,497
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>143,593</u>
<b>NET POSITION, END OF YEAR</b>	<b><u><u>\$ 184,090</u></u></b>

# OSWEGO CITY SCHOOL DISTRICT, NEW YORK

## Notes To The Basic Financial Statements

June 30, 2023

### I. Summary of Significant Accounting Policies

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

#### A. Reporting Entity

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

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units* and GASB Statement No. 61, *The Financial Reporting Entity*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

#### 1. Extraclassroom Activity Funds

The extraclassroom activity funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The extraclassroom activity funds are independent of the District with respect to its financial transactions, and the designation of student management. Separate audited financial statements (cash basis) of the extraclassroom activity funds can be found at the District's business office. The District accounts for assets held as an agency for various student organizations in an agency fund.

**( I. ) (Continued)**

**B. Joint Venture**

The District is a component of the Oswego County Board of Cooperative Educational Services (BOCES). The BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

BOCES are organized under §1950 of the New York State Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of §1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (§1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the New York State General Municipal Law.

A BOCES' budget is comprised of separate budgets for administrative, program, and capital costs. Each component school district's share of administrative and capital cost is determined by resident public school district enrollment as defined in Education Law, Section 1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

During the year, the District was billed \$11,532,040 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$4,517,119.

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

**C. Basis of Presentation**

**1. Districtwide Statements**

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

The Statement of Activities presents a comparison between program expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

( I. ) (Continued)

2. **Fund Statements**

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

The District reports the following governmental funds:

a. **Major Governmental Funds**

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

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

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

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

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

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

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

c. **Fiduciary** - Fiduciary activities are those in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the District, and are not available to be used.

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

( I. ) (Continued)

**D. Measurement Focus and Basis of Accounting**

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

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

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

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

**E. Property Taxes**

Real property taxes are levied annually by the Board of Education no later than September 1, and become a lien on October 4, 2022. Taxes are collected during the period October 3, 2022 to February 28, 2023.

The City and Counties in which the District is located enforce uncollected real property taxes. An amount representing all uncollected real property taxes must be transmitted by the City to the District within two years from the return of unpaid taxes to the City. Real property taxes receivable expected to be collected within 60 days of year-end, less similar amounts collected during this period in the preceding year are recognized as revenues. Otherwise, deferred revenues offset real property taxes receivable.

**F. Restricted Resources**

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

( I. ) (Continued)

**G. Interfund Transactions**

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

In the District-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds.

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

Refer to Note VI for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

**H. Estimates**

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

**I. Cash and Cash Equivalents**

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

New York State Law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and Districts.

( I. ) (Continued)

**J.     Receivables**

Receivables are shown net of an allowance for uncollectible accounts which has been provided for certain amounts that may not be collectible.

**K.     Inventory and Prepaid Items**

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

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

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

**L.     Capital Assets**

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

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

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

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

( I. ) (Continued)

**M. Right To Use Assets**

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

**N. Unearned Revenue**

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

**O. Deferred Outflows and Inflows of Resources**

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

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

**P. Vested Employee Benefits**

**1. Compensated Absences**

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

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

The District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

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

**( I. ) (Continued)**

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

**Q. Other Benefits**

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

District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Sections 403(b).

In addition to providing pension benefits, the District provides post-employment health coverage to retired employees in accordance with the provision of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits may be shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

**R. Short-Term Debt**

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

**S. Accrued Liabilities and Long-Term Obligations**

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

Long-term obligations represent the District's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

**T. Equity Classifications**

**1. District-Wide Statements**

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

( I. ) (Continued)

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

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

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

	<b><u>Total</u></b>
Workers' Compensation	\$ 1,383,825
Retirement Contribution - TRS	1,819,154
Retirement Contribution - ERS	3,099,783
Tax Certiorari	1,039,148
Scholarships	348,297
Debt	2,144,318
Liability	1,979,709
Employee Benefit Accrued Liability	<u>2,587,016</u>
<b>Total Net Position - Restricted for Other Purposes</b>	<b><u><u>\$ 14,401,250</u></u></b>

c. **Unrestricted Net Position** - reports the balance of net position that does not meet the definition of the above two classifications . The reported deficit of \$274,672,330 at year end is the result of full implantation of GASB #75 regarding retiree health obligations and the New York State Pension system unfunded pension obligation.

2. **Fund Statements**

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

a. **Nonspendable Fund Balance** – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes:

	<b><u>Total</u></b>
Inventory in School Lunch	\$ 48,181
<b>Total Nonspendable Fund Balance</b>	<b><u><u>\$ 48,181</u></u></b>

( I. ) (Continued)

b. **Restricted Fund Balances** – Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the general fund are classified as restricted fund balance. The District has established the following restricted fund balances:

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

<b><u>Name of Reserve</u></b>	<b><u>Maximum Funding</u></b>	<b><u>Total Funding Provided</u></b>	<b><u>Total Year to Date Balance</u></b>
2020 Capital Reserve	\$ 10,000,000	\$ 10,000,000	\$ 10,037,759

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

**Employee Benefit Accrued Liability Reserve** - According to General Municipal Law §6-p, must be used for the payment of accrued employee benefits due to an employee upon termination of the employee’s service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.

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

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

( I. ) (Continued)

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

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

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

**Workers' Compensation Reserve** - According to General Municipal Law §6-j, must be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action, and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget.

**Nuclear Facility Stabilization Fund** - Chapter 202 of the New York State Laws of 2001 authorizes the establishment of a nuclear facility stabilization fund by school districts in which a nuclear-powered electric generating facility is located. The Board of Education created this reserve fund on October 25, 2014, however, no funding has been set aside.

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

( I. ) (Continued)

Restricted fund balances include the following:

	<u><b>Total</b></u>
<b><u>General Fund -</u></b>	
Workers' Compensation	\$ 1,383,825
Unemployment Costs	5,310,127
Retirement Contribution - ERS	3,099,783
Retirement Contribution - TRS	1,819,154
Tax Certiorari	1,039,148
Liability	1,979,709
Capital Reserves	10,037,759
Employee Benefit Accrued Liability	2,587,016
<b><u>Capital Fund -</u></b>	
Capital Projects	1,843
<b><u>Misc Special Revenue Fund -</u></b>	
Scholarships	349,024
<b><u>Debt Service Fund -</u></b>	
Debt Service	2,144,318
<b>Total Restricted Fund Balance</b>	<b><u><u>\$ 29,751,706</u></u></b>

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

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

Management has determined significant encumbrances for the General Fund to be \$121,600, the Special Aid Fund to be \$15,000, and the Capital Projects Fund to be \$9,500. The District reports the following significant encumbrances:

<b><u>General Fund -</u></b>	
General Support	\$ 347,696
<b><u>Capital Projects Fund -</u></b>	
Capital Improvements	\$ 12,718,846
<b><u>Special Aid Fund -</u></b>	
Instructional	\$ 290,515

( I. ) (Continued)

Assigned fund balances include the following:

	<b>Total</b>
General Fund - Encumbrances	\$ 419,888
School Lunch Fund - Year End Equity	702,420
<b>Total Assigned Fund Balance</b>	<b><u>\$ 1,122,308</u></b>

e. **Unassigned Fund Balance** –Includes all other general fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the school district and could report a surplus or deficit. In funds other than the general fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

3. **Order of Use of Fund Balance**

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

U. **New Accounting Standards**

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

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

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

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

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

V. **Future Changes in Accounting Standards**

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

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

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

## **II. Changes in Accounting Principles**

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

## **III. Stewardship, Compliance and Accountability**

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

### **A. Budgets**

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

The voters of the District approved the proposed appropriation budget.

Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restriction, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. The 2022-23 budget was amended for \$351,254 of encumbrances from the prior year, \$116,679 for donation of Minetto playground, \$9,548 for bus repair, \$1,700,000 for health insurance, and \$1,150,000 for soil emergency project.

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

Budgets are established and used for individual capital projects fund expenditures as approved by a special referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

### **B. Encumbrances**

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

( III. ) (Continued)

C. **Deficit Net Position**

The District-wide net position reported a deficit at June 30, 2023 totaling \$186,498,398. The deficit is a result of unfunded liabilities, such as compensated absences, net pension obligations, and other postemployment benefits. New York State does not allow for a funding mechanism relating to other postemployment benefits or pension obligations.

D. **Deficit Fund Balance**

1. **Capital Projects Fund**

The Capital Projects Fund had a deficit fund balance of \$30,691,770 at June 30, 2023, which is a result of expenses incurred by the HCIP 18-19 project before receiving financing.

IV. **Cash and Cash Equivalents**

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

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

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

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

Uncollateralized	\$	-
Collateralized within Trust Department or Agent		46,385,184
<b>Total</b>	<b>\$</b>	<b><u>46,385,184</u></b>

Restricted cash represents cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$29,751,706 within the governmental funds and \$184,090 in the fiduciary funds.

V. **Receivables**

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

<b><u>Description</u></b>	<b>Governmental Activities</b>		
	<b><u>General Fund</u></b>	<b><u>Non-Major Funds</u></b>	<b><u>Total</u></b>
Accounts Receivable	\$ 96,837	\$ 1,973	\$ 98,810
Due From State and Federal	4,790,327	4,748,655	9,538,982
Due From Other Governments	2,031,561	-	2,031,561
Taxes Receivable	1,103,571	-	1,103,571
<b>Total Receivables</b>	<b>\$ 8,022,296</b>	<b>\$ 4,750,628</b>	<b>\$ 12,772,924</b>

VI. **Interfund Receivables, Payables, Revenues and Expenditures**

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

	<b>Interfund</b>			
	<b><u>Receivables</u></b>	<b><u>Payables</u></b>	<b><u>Revenues</u></b>	<b><u>Expenditures</u></b>
General Fund	\$ 6,216,350	\$ 3,951,915	\$ -	\$ 3,715,718
Capital Projects Fund	3,641,287	586,295	3,641,287	380,425
Non-major Funds	1,045,131	6,364,558	454,856	-
<b>Total</b>	<b>\$ 10,902,768</b>	<b>\$ 10,902,768</b>	<b>\$ 4,096,143</b>	<b>\$ 4,096,143</b>

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

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

## VII. Capital Assets and Lease Assets

### A. Capital Assets

Capital asset balances and activity were as follows:

<u>Type</u>	<u>Balance</u> <u>7/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2023</u>
<b><u>Governmental Activities:</u></b>				
<b><u>Capital Assets that are not Depreciated -</u></b>				
Land	\$ 1,020,361	\$ -	\$ -	\$ 1,020,361
Work in progress	31,619,951	6,915,612	6,060	38,529,503
<i>Total Nondepreciable</i>	<u>\$ 32,640,312</u>	<u>\$ 6,915,612</u>	<u>\$ 6,060</u>	<u>\$ 39,549,864</u>
<b><u>Capital Assets that are Depreciated -</u></b>				
Buildings and Improvements	\$ 135,657,901	\$ -	\$ 45,315	\$ 135,612,586
Machinery and equipment	12,268,104	14,735	140,719	12,142,120
<i>Total Depreciated Assets</i>	<u>\$ 147,926,005</u>	<u>\$ 14,735</u>	<u>\$ 186,034</u>	<u>\$ 147,754,706</u>
<b><u>Less Accumulated Depreciation -</u></b>				
Buildings and Improvements	\$ 67,218,341	\$ 2,459,729	\$ 43,886	\$ 69,634,184
Machinery and equipment	7,826,730	835,975	63,099	8,599,606
<i>Total Accumulated Depreciation</i>	<u>\$ 75,045,071</u>	<u>\$ 3,295,704</u>	<u>\$ 106,985</u>	<u>\$ 78,233,790</u>
<i>Total Capital Assets Depreciated, Net of Accumulated Depreciation</i>	<u>\$ 72,880,934</u>	<u>\$ (3,280,969)</u>	<u>\$ 79,049</u>	<u>\$ 69,520,916</u>
<b>Total Capital Assets</b>	<b><u>\$ 105,521,246</u></b>	<b><u>\$ 3,634,643</u></b>	<b><u>\$ 85,109</u></b>	<b><u>\$ 109,070,780</u></b>

### B. Lease Assets

A summary of the lease asset activity during the year ended June 30, 2023 is as follows:

<u>Type</u>	<u>Balance</u> <u>7/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2023</u>
<b><u>Lease Assets:</u></b>				
Equipment	\$ 1,100,179	\$ 271,412	\$ 100,823	\$ 1,270,768
<i>Total Lease Assets</i>	<u>\$ 1,100,179</u>	<u>\$ 271,412</u>	<u>\$ 100,823</u>	<u>\$ 1,270,768</u>
<b><u>Less Accumulated Amortization -</u></b>				
Equipment	\$ 618,975	\$ 370,903	\$ 100,823	\$ 889,055
<i>Total Accumulated Amortization</i>	<u>\$ 618,975</u>	<u>\$ 370,903</u>	<u>\$ 100,823</u>	<u>\$ 889,055</u>
<i>Total Lease Assets, Net</i>	<u>\$ 481,204</u>	<u>\$ (99,491)</u>	<u>\$ -</u>	<u>\$ 381,713</u>

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

Depreciated Capital Assets, net	\$ 69,520,916
Amortized Lease Assets, net	381,713
<b>Total Other Assets, Net</b>	<b><u>\$ 69,902,629</u></b>

(VII.) (Continued)

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

<u>Governmental Activities:</u>	<u>Depreciation</u>	<u>Amortization</u>	<u>Total</u>
General Government Support	\$ 876,596	\$ -	\$ 876,596
Instruction	1,680,565	370,903	2,051,468
Pupil Transportation	651,409	-	651,409
School Lunch	87,134	-	87,134
<b>Total Depreciation and Amortization Expense</b>	<b>\$ 3,295,704</b>	<b>\$ 370,903</b>	<b>\$ 3,666,607</b>

VIII. Short-Term Debt Obligations

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

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance 7/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2023</u>
BAN	7/21/2023	3.75%	\$ -	\$ 44,570,000	\$ -	\$ 44,570,000
BAN	7/22/2022	1.25%	35,000,000	-	35,000,000	-
<b>Total Short-Term Debt</b>			<b>\$ 35,000,000</b>	<b>\$ 44,570,000</b>	<b>\$ 35,000,000</b>	<b>\$ 44,570,000</b>

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

Interest Paid	\$ 437,500
Less: Interest Accrued in the Prior Year	(411,979)
Plus: Interest Accrued in the Current Year	1,573,878
<b>Total Short-Term Interest Expense</b>	<b>\$ 1,599,399</b>

IX. Long-Term Debt Obligations

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

	<u>Balance 7/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2023</u>	<u>Due Within One Year</u>
<b><u>Governmental Activities:</u></b>					
<b><u>Bonds and Notes Payable -</u></b>					
Serial Bonds	\$ 24,310,000	\$ 1,303,000	\$ 5,740,000	\$ 19,873,000	\$ 6,108,000
Lease Liability	157,160	6,060	46,312	116,908	52,469
<b>Total Bonds and Notes Payable</b>	<b>\$ 24,467,160</b>	<b>\$ 1,309,060</b>	<b>\$ 5,786,312</b>	<b>\$ 19,989,908</b>	<b>\$ 6,160,469</b>
<b><u>Other Liabilities -</u></b>					
Net Pension Liability	\$ -	\$ 9,108,454	\$ -	\$ 9,108,454	\$ -
OPEB	270,184,825	-	9,322,802	260,862,023	-
BOCES Preschool Deficit	337,128	-	-	337,128	-
Workers' Compensation Claims	154,138	75,285	-	229,423	-
Retainage	63,575	282,444	-	346,019	346,019
Compensated Absences	2,953,315	-	61,905	2,891,410	177,936
<b>Total Other Liabilities</b>	<b>\$ 273,692,981</b>	<b>\$ 9,466,183</b>	<b>\$ 9,384,707</b>	<b>\$ 273,774,457</b>	<b>\$ 523,955</b>
<b>Total Long-Term Obligations</b>	<b>\$ 298,160,141</b>	<b>\$ 10,775,243</b>	<b>\$ 15,171,019</b>	<b>\$ 293,764,365</b>	<b>\$ 6,684,424</b>

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

(IX.) (Continued)

Existing serial and statutory bond obligations:

<u>Description</u>	<u>Original Amount</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding 6/30/2023</u>
<b>Serial Bonds -</b>					
Reconstruction	\$ 5,450,000	2012	2024	2%-5%	\$ 580,000
Reconstruction	\$ 985,000	2013	2028	2%-5%	410,000
BOCES Capital Project	\$ 6,853,601	2014	2029	2.00%-3.25%	3,050,000
DASNY	\$ 11,985,000	2016	2030	2%-5%	7,065,000
Refunding	\$ 12,080,000	2018	2025	2%-5%	5,920,000
Buses	\$ 577,000	2019	2024	2.75%-2.875%	120,000
Buses	\$ 911,000	2019	2025	1.625-1.75%	380,000
Buses	\$ 220,000	2021	2026	1.20%	135,000
Buses	\$ 1,125,000	2022	2027	0.50%-1.51%	910,000
Buses	\$ 1,030,000	2023	2028	4%-5%	1,303,000
<b>Total Serial Bonds</b>					<b>\$ 19,873,000</b>
<b>Leases -</b>					
Leases	\$ 195,997	2022	2026	1.1%	\$ 116,908
<b>Total Leases</b>					<b>\$ 116,908</b>

The following is a summary of debt service requirements:

<u>Year</u>	<u>Serial Bonds</u>		<u>Leases</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 6,108,000	\$ 854,260	\$ 52,469	\$ 10,517
2025	4,835,000	577,158	58,704	4,283
2026	2,080,000	365,862	5,735	64
2027	2,095,000	294,442	-	-
2028	1,945,000	210,500	-	-
2029-30	2,810,000	188,963	-	-
<b>Total</b>	<b>\$ 19,873,000</b>	<b>\$ 2,491,185</b>	<b>\$ 116,908</b>	<b>\$ 14,864</b>

In prior years, the District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. \$6,145,000 of bonds outstanding are considered defeased.

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

Interest Paid	\$ 1,047,504
Less: Interest Accrued in the Prior Year	(161,348)
Plus: Interest Accrued in the Current Year	152,612
<b>Total Long-Term Interest Expense</b>	<b>\$ 1,038,768</b>

**X. Deferred Inflows/Outflows of Resources**

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

	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>
Pension	\$ 24,455,955	\$ 3,298,445
OPEB	35,226,550	62,045,767
<b>Total</b>	<b><u>\$ 59,682,505</u></b>	<b><u>\$ 65,344,212</u></b>

**XI. Pension Plans**

**A. General Information**

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

**B. Provisions and Administration**

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

ERS provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. NYSRSSL govern obligations of employers and employees to contribute, and benefits to employees. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees’ Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State’s financial report as a pension trust fund. ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to NYSERS, Office of the State Comptroller, 110 State Street, Albany, New York 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php).

(XI.) (Continued)

C. **Funding Policies**

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year.

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

<b><u>Contributions</u></b>	<b><u>ERS</u></b>	<b><u>TRS</u></b>
2023	\$ 890,786	\$ 4,382,435

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

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

	<b><u>ERS</u></b>	<b><u>TRS</u></b>
Measurement date	March 31, 2023	June 30, 2022
Net pension assets/(liability)	\$ (5,214,427)	\$ (3,894,027)
District's portion of the Plan's total net pension asset/(liability)	0.024%	0.203%

For the year ended June 30, 2023, the District recognized pension expenses of \$1,971,608 for ERS and \$4,904,831 for TRS. At June 30, 2023 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

( XI. ) (Continued)

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 555,377	\$ 4,080,447	\$ 146,441	\$ 78,030
Changes of assumptions	2,532,462	7,553,753	27,988	1,568,624
Net difference between projected and actual earnings on pension plan investments	-	5,031,452	30,635	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	348,834	240,856	54,689	1,392,038
Subtotal	<u>\$ 3,436,673</u>	<u>\$ 16,906,508</u>	<u>\$ 259,753</u>	<u>\$ 3,038,692</u>
District's contributions subsequent to the measurement date	<u>275,845</u>	<u>3,836,929</u>	<u>-</u>	<u>-</u>
<b>Grand Total</b>	<b><u>\$ 3,712,518</u></b>	<b><u>\$ 20,743,437</u></b>	<b><u>\$ 259,753</u></b>	<b><u>\$ 3,038,692</u></b>

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

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2023	\$ -	\$ 2,787,606
2024	803,962	1,211,767
2025	(192,687)	(902,852)
2026	1,110,672	9,695,293
2027	1,454,973	1,102,856
Thereafter	-	(26,854)
<b>Total</b>	<b><u>\$ 3,176,920</u></b>	<b><u>\$ 13,867,816</u></b>

**E. Actuarial Assumptions**

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

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

( XI. ) ( Continued )

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

The long term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2023 are summarized as follows:

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

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

**F. Discount Rate**

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

( XI. ) (Continued)

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.9% for ERS and 6.95% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentagepoint 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 assumption :

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
<b><u>ERS</u></b>	<b><u>(4.90%)</u></b>	<b><u>(5.90%)</u></b>	<b><u>(6.90%)</u></b>
Employer's proportionate share of the net pension asset (liability)	\$ (12,601,035)	\$ (5,214,427)	\$ 957,942

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
<b><u>TRS</u></b>	<b><u>(5.95%)</u></b>	<b><u>(6.95%)</u></b>	<b><u>(7.95%)</u></b>
Employer's proportionate share of the net pension asset (liability)	\$ (35,904,750)	\$ (3,894,027)	\$ 23,026,782

**H. Pension Plan Fiduciary Net Position**

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

	<b>(In Thousands)</b>	
	<b><u>ERS</u></b>	<b><u>TRS</u></b>
Measurement date	March 31, 2023	June 30, 2022
Employers' total pension liability	\$ 232,627,259	\$ 133,883,474
Plan net position	211,183,223	131,964,582
Employers' net pension asset/(liability)	<b><u>\$ (21,444,036)</u></b>	<b><u>\$ (1,918,892)</u></b>
Ratio of plan net position to the employers' total pension asset/(liability)	90.78%	98.60%

**I. Payables to the Pension Plan**

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Accrued retirement contributions as of June 30, 2023 represent the projected employer contribution for the period of April 1, 2023 through June 30, 2023 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2023 amounted to \$275,845.

( XI. ) (Continued)

For TRS, employer and employee contributions for the fiscal year ended June 30, 2023 are paid to the System in September, October and November 2023 through a state aid intercept. Accrued retirement contributions as of June 30, 2023 represent employee and employer contributions for the fiscal year ended June 30, 2023 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2023 amounted to \$4,382,435.

**XII. Postemployment Benefits**

**A. General Information About the OPEB Plan**

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

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

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

Inactive employees or beneficiaries currently receiving benefit payments	593
Active Employees	<u>678</u>
<b>Total</b>	<b><u><u>1271</u></u></b>

**B. Total OPEB Liability**

The District's total OPEB liability of \$260,862,023 was measured as of June 30, 2023, and was determined by an actuarial valuation as of that date.

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

Inflation	2.50 percent
Salary Increases	3.00 percent, average, including inflation
Discount Rate	3.54 percent
Healthcare Cost Trend Rates	Initial rate of 8.50% decreasing to an ultimate rate of 3.94%
Retirees' Share of Benefit-Related Costs	Varies depending on contract

( XII. ) (Continued)

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

Mortality rates were based on Pub-2010 Mortality Table for employees: sex distinct, job category-specific, headcount weighted, and adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis.

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

Balance at June 30, 2022	<u>\$ 270,184,825</u>
<b><u>Changes for the Year -</u></b>	
Service cost	\$ 11,856,575
Interest	5,965,503
Changes in assumptions or other inputs	(20,585,740)
Benefit payments	<u>(6,559,140)</u>
Net Changes	<u>\$ (9,322,802)</u>
<b>Balance at June 30, 2023</b>	<b><u><u>\$ 260,862,023</u></u></b>

*Changes to Assumptions and Other Inputs*

- Increased the discount rate from 2.14% to 3.54%. The discount rates are inputs taken from the rate for a 20-year high-quality tax-exempt municipal bond index as of each measurement date.
- Updated the mortality tables to the sex-distinct and job category-specific headcount weighted Pub-2010 Public Retirement Plans Mortality Tables for employees and healthy retirees, adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis. This assumption was based on review of published mortality tables and the demographics of the plan.
- Updated the TRS turnover/retirement rates with the tables from the NYSTRS Office of the Actuary dated October 19, 2021 and the ERS turnover/retirement rates with the NYSERS Office of Actuary rates from their report dated August 2020.

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

	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
	<b><u>(2.54%)</u></b>	<b><u>(3.54%)</u></b>	<b><u>(4.54%)</u></b>
Total OPEB Liability	\$ 310,348,666	\$ 260,862,023	\$ 221,856,230

( XII. ) (Continued)

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

	<b>1% Decrease (7.50% Decreasing to 2.94%)</b>	<b>Healthcare Cost Trend Rates (8.50% Decreasing to 3.94%)</b>	<b>1% Increase (9.50% Decreasing to 4.94%)</b>
Total OPEB Liability	\$ 215,154,370	\$ 260,862,023	\$ 321,116,329

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$1,454,206. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ -	\$ 42,627,028
Changes of assumptions	28,667,410	19,418,739
Contributions after measurement date	6,559,140	-
<b>Total</b>	<b>\$ 35,226,550</b>	<b>\$ 62,045,767</b>

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

<b><u>Year</u></b>	
2024	\$ (5,253,593)
2025	(3,122,084)
2026	(7,775,786)
2027	(13,197,617)
2028	(3,429,693)
Thereafter	(599,584)
<b>Total</b>	<b>\$ (33,378,357)</b>

### XIII. Risk Management

#### A. General Information

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

#### B. Self-Funded Medical Plan

The District participates in a self-funded medical plan administered by AETNA. The Plan is referred to as a premium credit plan. The District pays actual claim expenses and administrative charges. The District also, has stop-loss insurance coverage on specific claims in excess of \$300,000.

Liabilities are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated.

The incurred but not reported claims (IBNR's) are fully funded and reported in the General Fund as part of the accrued liabilities balances at June 30, 2023.

A reconciliation of the claims recorded for 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Beginning liabilities	\$ 1,213,207	\$ 1,026,708
Incurred claims	15,144,494	13,347,865
Claims payments	<u>(15,034,410)</u>	<u>(13,161,366)</u>
<b>Ending Liabilities</b>	<b><u>\$ 1,323,291</u></b>	<b><u>\$ 1,213,207</u></b>

The following statistical information is presented:

<u>Year</u>	<u>Contribution Revenue</u>	<u>Actual Claim Expense</u>
2023	\$ 15,144,494	\$ 15,034,410
2022	\$ 13,347,865	\$ 13,161,366
2021	\$ 14,272,337	\$ 14,211,212
2020	\$ 16,934,037	\$ 17,152,837
2019	\$ 11,323,248	\$ 11,262,305
2018	\$ 11,722,388	\$ 11,723,670
2017	\$ 12,523,082	\$ 12,566,710
2016	\$ 9,112,055	\$ 9,254,985
2015	\$ 10,332,190	\$ 10,072,620

Contribution revenues consist of the expenditures charged to the funds plus the employee's payroll withholding plus the retiree's contribution. There are additional revenues which offset the claim expense such as rebates and refunds which are not included in contribution revenues.

The Plan has funded the incurred but not yet reported claims liability. The funding of this liability indicates that the plan's self-funded insurance program is fully funded.

( XIII. ) (Continued)

**C. Workers' Compensation**

The District has elected to self-fund for workers' compensation claims in the 2022-23 fiscal year. As of June 30, 2023 there are no open claims. In addition, the District purchases stop-loss insurance to cover individual claims over \$500,000.

Liabilities of the Plan are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for considering the effects of inflation, recent claim settlement trends including frequency and amount of payout, and other economic and social factors. Changes in the balances of claims liabilities related to workers' compensation for the current and prior fiscal years are as follows:

	<b><u>2023</u></b>	<b><u>2022</u></b>
Beginning liabilities	\$ 154,138	\$ 102,002
Incurred claims	421,756	293,028
Claims payments	<u>(276,471)</u>	<u>(240,892)</u>
<b>Ending Liabilities</b>	<b><u>\$ 299,423</u></b>	<b><u>\$ 154,138</u></b>

The following statistical information is presented:

<b><u>Year</u></b>	<b><u>Contribution Revenue</u></b>	<b><u>Actual Claim Expense</u></b>
2023	\$ 421,756	\$ 276,471
2022	\$ 293,028	\$ 240,892
2021	\$ 274,470	\$ 322,465
2020	\$ 222,470	\$ 284,421
2019	\$ 243,670	\$ 221,547
2018	\$ 232,153	\$ 175,893
2017	\$ 167,572	\$ 177,544

The District does maintain a workers' compensation reserve totaling \$1,383,825.

**D. Dental Coverage**

The District self-insures for dental coverage for its non-instructional employees. The District uses a third-party administrator who is responsible for processing claims and estimating liabilities. The District does not carry excess insurance coverage relative to this Plan. The District records expenditures as claims are presented for payment. The annual maximum benefit per employee and dependent is \$1,500 per year. Liabilities are reported when it is probable that a loss has occurred, and the amount of loss can be reasonably estimated. The expenditures of this program totaled \$447,569 for the 2022-23 fiscal year. At year end the District is not aware of any loss contingencies or incurred but not reported claims.

**( XIII. ) (Continued)**

**E. Unemployment**

District employees are entitled to coverage under the New York State Unemployment Insurance Law. The District has elected to discharge its liability to the New York State Unemployment Insurance Fund (the Fund) by the benefit reimbursement method, a dollar-for-dollar reimbursement to the fund for benefits paid from the fund to former employees. The District has established a self-insurance fund to pay these claims. The claim and judgment expenditures of this program for the 2022-23 fiscal year totaled \$8,289. The balance of the fund at June 30, 2023 was \$5,310,127 and is recorded in the General Fund as an Unemployment Insurance Reserve. In addition, as of June 30, 2023, no loss contingencies existed or were considered probable or estimable for incurred but not reported claims payable.

**XIV. Commitments and Contingencies**

**A. Litigation**

The District has one pending EEDC claim which is believed to be covered by insurance and several tax certiorari claims filed as of the date of this report in which the District has established a tax certiorari reserve to help offset any potential liability.

**B. Grants**

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

**XV. Tax Abatement**

The County of Oswego IDA, and the District enter into various property tax abatement programs for the purpose of Economic Development. As a result, the District property tax revenue was reduced \$24,579,195. The District received payment in lieu of tax (PILOT) payment totaling \$25,159,294 to help offset the property tax reduction.

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

<b>TOTAL OPEB LIABILITY</b>						
	<u><b>2023</b></u>	<u><b>2022</b></u>	<u><b>2021</b></u>	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>
Service cost	\$ 11,856,575	\$ 10,749,715	\$ 7,747,532	\$ 6,597,898	\$ 7,535,004	\$ 11,038,711
Interest	5,965,503	7,212,168	8,892,509	9,889,694	9,321,250	9,425,013
Changes in benefit terms	-	-	(179,187)	(454,016)	(821,409)	(15,098,360)
Differences between expected and actual experiences	-	(57,706,051)	-	(15,196,329)	-	9,233,530
Changes of assumptions or other inputs	(20,585,740)	(1,592,162)	60,746,616	4,110,745	(11,302,626)	(76,175,877)
Benefit payments	(6,559,140)	(8,143,077)	(7,734,747)	(7,412,425)	(6,929,745)	(6,466,146)
<b>Net Change in Total OPEB Liability</b>	<b>\$ (9,322,802)</b>	<b>\$ (49,479,407)</b>	<b>\$ 69,472,723</b>	<b>\$ (2,464,433)</b>	<b>\$ (2,197,526)</b>	<b>\$ (68,043,129)</b>
<b>Total OPEB Liability - Beginning</b>	<b>\$ 270,184,825</b>	<b>\$ 319,664,232</b>	<b>\$ 250,191,509</b>	<b>\$ 252,655,942</b>	<b>\$ 254,853,468</b>	<b>\$ 322,896,597</b>
<b>Total OPEB Liability - Ending</b>	<b>\$ 260,862,023</b>	<b>\$ 270,184,825</b>	<b>\$ 319,664,232</b>	<b>\$ 250,191,509</b>	<b>\$ 252,655,942</b>	<b>\$ 254,853,468</b>
 Covered Employee Payroll	 \$ 46,331,210	 \$ 40,617,312	 \$ 39,494,680	 \$ 39,513,332	 \$ 37,135,900	 \$ 32,947,562
 Total OPEB Liability as a Percentage of Covered Employee Payroll	 563.04%	 665.20%	 809.39%	 633.18%	 680.35%	 773.51%

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

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

**NYSERS Pension Plan**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (assets)	0.0243%	0.0226%	0.0236%	0.023247%	0.022742%	0.023079%	0.025089%	0.027176%	0.027666%
Proportionate share of the net pension liability (assets)	\$ 5,214,427	\$ (1,847,696)	\$ 23,460	\$ 6,155,911	\$ 1,611,341	\$ 744,871	\$ 2,357,408	\$ 4,361,882	\$ 934,624
Covered-employee payroll	\$ 8,142,430	\$ 7,516,372	\$ 7,896,945	\$ 7,425,885	\$ 7,114,966	\$ 6,901,264	\$ 7,576,412	\$ 7,591,556	\$ 7,966,217
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	64.040%	-24.582%	0.297%	82.898%	22.647%	10.793%	31.115%	57.457%	11.732%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

**NYSTRS Pension Plan**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (assets)	0.2029%	0.1876%	0.1827%	0.178793%	0.172153%	0.167682%	0.187688%	0.197922%	0.191938%
Proportionate share of the net pension liability (assets)	\$ 3,894,027	\$ (32,507,957)	\$ 5,047,849	\$ (4,645,051)	\$ 3,112,972	\$ (1,274,547)	\$ 2,010,214	\$ (20,557,757)	\$ (21,380,687)
Covered-employee payroll	\$ 35,816,162	\$ 35,944,092	\$ 32,044,085	\$ 31,356,569	\$ 30,327,464	\$ 28,576,655	\$ 27,050,459	\$ 28,962,100	\$ 30,217,447
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	10.872%	-90.440%	15.753%	-14.814%	10.265%	-4.460%	7.431%	-70.982%	-70.756%
Plan fiduciary net position as a percentage of the total pension liability	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

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

(See Independent Auditors' Report)

**Required Supplementary Information**  
**OSWEGO CITY SCHOOL DISTRICT, NEW YORK**  
**Schedule of District Contributions**  
**For The Year Ended June 30, 2023**

**NYSERS Pension Plan**

	<u>2022</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 890,786	\$ 1,163,521	\$ 1,116,650	\$ 1,063,084	\$ 1,032,640	\$ 1,117,639	\$ 1,157,543	\$ 1,296,816	\$ 1,607,339
Contributions in relation to the contractually required contribution	<u>(890,786)</u>	<u>(1,163,521)</u>	<u>(1,116,650)</u>	<u>(1,063,084)</u>	<u>(1,032,640)</u>	<u>(1,117,639)</u>	<u>(1,157,543)</u>	<u>(1,296,816)</u>	<u>(1,607,339)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 8,142,430	\$ 7,516,372	\$ 7,896,945	\$ 7,425,885	\$ 7,114,966	\$ 6,901,264	\$ 7,576,412	\$ 7,591,556	\$ 7,966,217
Contributions as a percentage of covered-employee payroll	10.94%	15.48%	14.14%	14.32%	14.51%	16.19%	15.28%	17.08%	20.18%

**NYSTRS Pension Plan**

	<u>2022</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 4,382,435	\$ 4,069,869	\$ 4,069,869	\$ 3,092,010	\$ 3,498,692	\$ 3,075,297	\$ 3,343,060	\$ 4,099,961	\$ 5,545,606
Contributions in relation to the contractually required contribution	<u>(4,382,435)</u>	<u>(4,069,869)</u>	<u>(4,069,869)</u>	<u>(3,092,010)</u>	<u>(3,498,692)</u>	<u>(3,075,297)</u>	<u>(3,343,060)</u>	<u>(4,099,961)</u>	<u>(5,545,606)</u>
Contribution deficiency (excess)	<u>\$ -</u>								
Covered-employee payroll	\$ 35,816,162	\$ 35,944,092	\$ 32,044,085	\$ 31,356,569	\$ 30,327,464	\$ 28,576,655	\$ 27,050,459	\$ 28,962,100	\$ 30,217,447
Contributions as a percentage of covered-employee payroll	12.24%	11.32%	12.70%	9.86%	11.54%	10.76%	12.36%	14.16%	18.35%

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

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

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Current Year's Revenues</u>	<u>Over (Under) Revised Budget</u>
<b>REVENUES</b>				
<b>Local Sources -</b>				
Real property taxes	\$ 26,643,448	\$ 23,377,448	\$ 23,470,452	\$ 93,004
Real property tax items	25,404,378	28,670,378	28,639,166	(31,212)
Charges for services	-	-	20,215	20,215
Use of money and property	1,740	1,740	159,669	157,929
Sale of property and compensation for loss	45,000	54,549	54,637	88
Miscellaneous	900,000	1,966,678	2,965,519	998,841
Interfund revenues	-	-	45,729	45,729
<b>State Sources -</b>				
Basic formula	39,823,197	40,573,197	33,229,895	(7,343,302)
Lottery aid	-	-	8,163,464	8,163,464
BOCES	5,250,000	5,250,000	4,517,119	(732,881)
Textbooks	218,000	218,000	213,079	(4,921)
<b>All Other Aid -</b>				
Computer software	128,500	128,500	124,418	(4,082)
Library loan	24,000	24,000	22,837	(1,163)
Other aid	50,000	50,000	203,010	153,010
<b>Federal Sources</b>	<u>285,974</u>	<u>285,974</u>	<u>572,700</u>	<u>286,726</u>
<b>TOTAL REVENUES</b>	<u>\$ 98,774,237</u>	<u>\$ 100,600,464</u>	<u>\$ 102,401,909</u>	<u>\$ 1,801,445</u>
<b>Other Sources -</b>				
Transfer - in	\$ 100,000	\$ 100,000	\$ -	\$ (100,000)
<b>TOTAL REVENUES AND OTHER SOURCES</b>	<u>\$ 98,874,237</u>	<u>\$ 100,700,464</u>	<u>\$ 102,401,909</u>	<u>\$ 1,701,445</u>
Appropriated fund balance	\$ -	\$ 1,150,000		
Prior year encumbrances	\$ 351,254	\$ 351,254		
<b>TOTAL REVENUES AND APPROPRIATED RESERVES/ FUND BALANCE</b>	<u><u>\$ 99,225,491</u></u>	<u><u>\$ 102,201,718</u></u>		

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

	<u>Original</u> <u>Budget</u>	<u>Amended</u> <u>Budget</u>	<u>Current</u> <u>Year's</u> <u>Expenditures</u>	<u>Encumbrances</u>	<u>Unencumbered</u> <u>Balances</u>
<b>EXPENDITURES</b>					
<b>General Support -</b>					
Board of education	\$ 46,820	\$ 29,537	\$ 27,325	\$ 10	\$ 2,202
Central administration	509,237	555,072	553,616	1,000	456
Finance	899,032	955,763	889,713	15	66,035
Staff	659,394	510,569	505,693	574	4,302
Central services	6,351,888	6,751,753	6,269,581	346,097	136,075
Special items	2,227,938	2,240,380	2,233,635	-	6,745
<b>Instructional -</b>					
Instruction, administration and improvement	3,618,149	3,427,438	3,375,677	1,235	50,526
Teaching - regular school	23,609,420	23,826,955	23,629,726	55,258	141,971
Programs for children with handicapping conditions	11,070,395	10,558,577	10,002,975	70	555,532
Occupational education	1,532,520	1,736,900	1,736,900	-	-
Teaching - special schools	2,156,740	1,901,504	1,899,434	-	2,070
Instructional media	2,364,624	2,208,324	2,155,557	-	52,767
Pupil services	3,742,555	3,785,068	3,668,546	7,576	108,946
<b>Pupil Transportation</b>	3,369,304	3,520,669	3,465,663	4,376	50,630
<b>Employee Benefits</b>	25,091,003	27,416,992	26,210,782	3,677	1,202,533
<b>Debt service - principal</b>	5,740,000	5,786,312	5,786,312	-	-
<b>Debt service - interest</b>	1,481,570	1,485,004	1,485,004	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 94,470,589</u>	<u>\$ 96,696,817</u>	<u>\$ 93,896,139</u>	<u>\$ 419,888</u>	<u>\$ 2,380,790</u>
<b>Other Uses -</b>					
Transfers - out	\$ 3,041,641	\$ 3,791,641	\$ 3,715,718	\$ -	\$ 75,923
<b>TOTAL EXPENDITURES AND OTHER USES</b>	<u>\$ 97,512,230</u>	<u>\$ 100,488,458</u>	<u>\$ 97,611,857</u>	<u>\$ 419,888</u>	<u>\$ 2,456,713</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 1,713,261</b>	<b>\$ 1,713,260</b>	<b>\$ 4,790,052</b>		
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>27,019,670</u>	<u>27,019,670</u>	<u>27,019,670</u>		
<b>FUND BALANCE, END OF YEAR</b>	<u><u>\$ 28,732,931</u></u>	<u><u>\$ 28,732,930</u></u>	<u><u>\$ 31,809,722</u></u>		

**Note to Required Supplementary Information:**

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

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

**CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET:**

Adopted budget	\$ 97,160,976
Prior year's encumbrances	351,254
	\$ 97,512,230
<b>Original Budget</b>	<b>\$ 97,512,230</b>
Budget revisions -	
Donation for Minetto Playground	116,679
Amendment Bus Repair	9,548
Health Insurance	2,100,000
Soil Emergency Project	750,000
	\$ 100,488,457
<b>FINAL BUDGET</b>	<b>\$ 100,488,457</b>

**SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION:**

2023-24 voter approved expenditure budget	\$ 103,332,823
<u>Unrestricted fund balance:</u>	
Assigned fund balance	\$ 419,888
Unassigned fund balance	4,133,313
Total Unrestricted fund balance	\$ 4,553,201
<u>Less adjustments:</u>	
Encumbrances included in assigned fund balance	\$ 419,888
Total adjustments	\$ 419,888
General fund fund balance subject to Section 1318 of Real Property Tax Law	4,133,313
<b>ACTUAL PERCENTAGE</b>	<b>4.00%</b>

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

<b>Project Title</b>	<b>Expenditures</b>					<b>Unexpended Balance</b>	<b>Methods of Financing</b>				<b>Fund Balance</b>
	<b>Original Appropriation</b>	<b>Revised Appropriation</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total</b>		<b>Obligations</b>	<b>Local Sources</b>	<b>Transfers</b>	<b>Total</b>	
2016-17 Renovations	\$ 750,000	\$ 1,814,996	\$ 1,490,079	\$ 324,917	\$ 1,814,996	\$ -	\$ -	\$ 750,000	\$ 1,064,996	\$ 1,814,996	\$ -
2017-18 Bus Purchase	600,000	600,000	594,930	5,070	600,000	-	600,000	-	-	600,000	-
2018-19 Bus Purchase	681,106	681,106	574,548	2,452	577,000	104,106	577,000	-	-	577,000	-
2019-20 Bus Purchase	911,000	911,000	902,089	8,911	911,000	-	911,000	-	-	911,000	-
2020-21 Bus Purchase	220,000	220,000	188,811	31,189	220,000	-	220,000	-	-	220,000	-
2021-22 Bus Purchase	1,125,000	1,125,000	1,117,114	7,886	1,125,000	-	1,125,000	-	-	1,125,000	-
HCIP 18-19	63,100,000	63,100,000	30,378,695	6,214,918	36,593,613	26,506,387	-	5,900,000	-	5,900,000	(30,693,613)
2020-21 Emergency Project	5,600,000	5,600,000	3,229,096	412,191	3,641,287	1,958,713	-	3,641,287	-	3,641,287	-
2022-23 Bus Purchase	1,303,000	1,303,000	-	1,301,157	1,301,157	1,843	1,303,000	-	-	1,303,000	1,843
Leases	6,060	6,060	-	6,060	6,060	-	-	6,060	-	6,060	-
<b>TOTAL</b>	<b>\$ 74,296,166</b>	<b>\$ 75,361,162</b>	<b>\$ 38,475,362</b>	<b>\$ 8,314,751</b>	<b>\$ 46,790,113</b>	<b>\$ 28,571,049</b>	<b>\$ 4,736,000</b>	<b>\$ 10,297,347</b>	<b>\$ 1,064,996</b>	<b>\$ 16,098,343</b>	<b>\$ (30,691,770)</b>

(See Independent Auditors' Report)

**Supplementary Information**  
**OSWEGO CITY SCHOOL DISTRICT, NEW YORK**  
**Combining Balance Sheet - Nonmajor Governmental Funds**  
**June 30, 2023**

	<b>Special Revenue Funds</b>				<b>Total</b>
	<b>Special Aid Fund</b>	<b>School Lunch Fund</b>	<b>Miscellaneous Special Revenue Fund</b>	<b>Debt Service Fund</b>	<b>Nonmajor Governmental Funds</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 719,086	\$ 1,242,664	\$ 349,024	\$ 1,558,023	\$ 3,868,797
Receivables	4,256,234	494,394	-	-	4,750,628
Inventories	-	48,181	-	-	48,181
Due from other funds	344,447	114,389	-	586,295	1,045,131
<b>TOTAL ASSETS</b>	<b>\$ 5,319,767</b>	<b>\$ 1,899,628</b>	<b>\$ 349,024</b>	<b>\$ 2,144,318</b>	<b>\$ 9,712,737</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b><u>Liabilities</u> -</b>					
Accounts payable	\$ 14,327	\$ 22,882	\$ -	\$ -	\$ 37,209
Accrued liabilities	-	9,371	-	-	9,371
Due to other funds	5,266,136	1,098,422	-	-	6,364,558
Due to other governments	-	569	-	-	569
Compensated Absences	-	3,934	-	-	3,934
Unearned revenue	39,964	13,849	-	-	53,813
<b>TOTAL LIABILITIES</b>	<b>\$ 5,320,427</b>	<b>\$ 1,149,027</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,469,454</b>
<b><u>Fund Balances</u> -</b>					
Nonspendable	\$ -	\$ 48,181	\$ -	\$ -	\$ 48,181
Restricted	-	-	349,024	2,144,318	2,493,342
Assigned	-	702,420	-	-	702,420
Unassigned	(660)	-	-	-	(660)
<b>TOTAL FUND BALANCE</b>	<b>\$ (660)</b>	<b>\$ 750,601</b>	<b>\$ 349,024</b>	<b>\$ 2,144,318</b>	<b>\$ 3,243,283</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 5,319,767</b>	<b>\$ 1,899,628</b>	<b>\$ 349,024</b>	<b>\$ 2,144,318</b>	<b>\$ 9,712,737</b>

(See Independent Auditors' Report)

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

	Special Revenue Funds			Debt Service Fund	Total Nonmajor Governmental Funds
	Special Aid Fund	School Lunch Fund	Miscellaneous Special Revenue Fund		
<b>REVENUES</b>					
Use of money and property	\$ -	\$ -	\$ -	\$ 33,192	\$ 33,192
Miscellaneous	4,078	45,022	14,605	-	63,705
State sources	842,073	35,155	-	-	877,228
Federal sources	8,271,150	2,016,576	-	-	10,287,726
Sales	-	117,624	-	-	117,624
<b>TOTAL REVENUES</b>	<b>\$ 9,117,301</b>	<b>\$ 2,214,377</b>	<b>\$ 14,605</b>	<b>\$ 33,192</b>	<b>\$ 11,379,475</b>
<b>EXPENDITURES</b>					
Instruction	\$ 7,545,963	\$ -	\$ -	\$ -	\$ 7,545,963
Pupil transportation	25,564	-	-	-	25,564
Employee benefits	1,620,205	243,601	-	-	1,863,806
Cost of sales	-	915,789	-	-	915,789
Other expenses	-	818,160	13,878	-	832,038
<b>TOTAL EXPENDITURES</b>	<b>\$ 9,191,732</b>	<b>\$ 1,977,550</b>	<b>\$ 13,878</b>	<b>\$ -</b>	<b>\$ 11,183,160</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (74,431)</b>	<b>\$ 236,827</b>	<b>\$ 727</b>	<b>\$ 33,192</b>	<b>\$ 196,315</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers - in	\$ 74,431	\$ -	\$ -	\$ 380,425	\$ 454,856
Premium on obligations issued	-	-	-	622,377	622,377
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 74,431</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,002,802</b>	<b>\$ 1,077,233</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 236,827</b>	<b>\$ 727</b>	<b>\$ 1,035,994</b>	<b>\$ 1,273,548</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>(660)</b>	<b>513,774</b>	<b>348,297</b>	<b>1,108,324</b>	<b>1,969,735</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ (660)</b>	<b>\$ 750,601</b>	<b>\$ 349,024</b>	<b>\$ 2,144,318</b>	<b>\$ 3,243,283</b>

(See Independent Auditors' Report)

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

<b>Capital assets/right to use assets, net</b>		\$ 109,452,493
<b>Add:</b>		
Unspent bond proceeds	<u>\$ 1,843</u>	1,843
<b>Deduct:</b>		
Bond payable	\$ 19,873,000	
Leases	116,908	
Assets purchased with short-term financing	30,693,613	
Retainage payable	<u>346,019</u>	
		<u>51,029,540</u>
<b>Net Investment in Capital Assets/ Right to Use Assets</b>		<b><u><u>\$ 58,424,796</u></u></b>

**Supplementary Information**  
**OSWEGO CITY SCHOOL DISTRICT, NEW YORK**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For The Year Ended June 30, 2023**

<u>Grantor / Pass - Through Agency</u> <u>Federal Award Cluster / Program</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Agency Number</u>	<u>Total Expenditures</u>
<b><u>U.S. Department of Education:</u></b>			
<b><u>Passed Through NYS Education Department -</u></b>			
<b><u>Special Education Cluster IDEA -</u></b>			
Special Education - Grants to States (IDEA, Part B)	84.027	0032-23-0715	\$ 1,006,835
Special Education - Preschool Grants (IDEA, Preschool)	84.173	0033-23-0715	42,438
Special Education - Grants to States (IDEA, Part B)-COVID-19	84.027X	5532-22-0715	153,712
Special Education - Preschool Grants (IDEA, Preschool)-COVID-19	84.173X	5533-22-0715	14,034
<i>Total Special Education Cluster IDEA</i>			<u>\$ 1,217,019</u>
<b><u>Education Stabilization Fund -</u></b>			
CARES Act - ESSER-COVID-19	84.425D	5890-21-2835	\$ 81,933
CRRSA - ESSER2-COVID-19	84.425D	5891-21-2355	1,590,110
ARPA - ESSER3-COVID-19	84.425U	5880-21-2355	3,143,864
ARPA - Homeless Children & Youth I-COVID-19	84.425W	5212-21-3020	700
ARPA - Homeless Children & Youth II-COVID-19	84.425W	5218-21-2355	141
<i>Total Education Stabilization Fund</i>			<u>\$ 4,816,748</u>
Title IIA - Supporting Effective Instruction State Grant	84.367	0147-22-2355	29,277
Title IIA - Supporting Effective Instruction State Grant	84.367	0147-23-2355	145,705
Title I - School Improvements	84.010	0011-22-4106	11,084
Title I - School Improvements	84.010	0011-22-2156	1,207
School Improvements	84.010	0011-23-2156	222,081
Title IV - SSAE Allocation	84.424	0204-22-2355	2,394
Title IV - SSAE Allocation	84.424	0204-23-2355	72,826
Title V - Rural & Low Income Schools	84.358	0006-22-2355	20,033
Title V - Rural & Low Income Schools	84.358	0006-23-2355	13,283
Education of Homeless Children & Youth	84.196	0212-23-3020	69,270
Title I - Grants to Local Educational Agencies	84.010	0021-22-2355	1,107
Title I - Grants to Local Educational Agencies	84.010	0021-23-2355	1,305,958
<b>Total U.S. Department of Education</b>			<u><b>\$ 7,927,992</b></u>
<b><u>U.S. Department of Health and Human Services:</u></b>			
<b><u>Passed through Oswego County Health Department</u></b>			
ECL Reopening Schools	93.323	F867-2122-4400	\$ 425,090
<b>Total U.S. Department of Health and Human Services</b>			<u><b>\$ 425,090</b></u>
<b><u>U.S. Department of Agriculture:</u></b>			
<b><u>Passed Through NYS Education Department (Child Nutrition Services) -</u></b>			
Pandemic EBT Administrative Costs	10.649	461300010000	\$ 5,024
<b><u>Child Nutrition Cluster -</u></b>			
National School Lunch Program	10.555	461300010000	\$ 1,291,693
Supply Chain Assistance-COVID-19	10.555	461300010000	188,920
National School Lunch Program-Non-Cash Assistance (Commodities)	10.555	461300010000	126,846
Summer Food Service Program	10.559	461300010000	37,899
National School Breakfast Program	10.553	461300010000	366,194
<i>Total Child Nutrition Cluster</i>			<u>\$ 2,011,552</u>
<b>Total U.S. Department of Agriculture</b>			<u><b>\$ 2,016,576</b></u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><b>\$ 10,369,658</b></u>

(See Independent Auditors' Report)



BUSINESS  
ADVISORS  
AND CPAS

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

**Independent Auditors' Report**

To the Board of Education  
Oswego City School District, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Oswego City School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 5, 2023.

***Internal Control over Financial Reporting***

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

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

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

### ***Compliance and Other Matters***

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

### ***Purpose of this Report***

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

*Mengel, Metzger, Baw & Co. LLP*

Rochester, New York  
October 5, 2023