

**WILLSBORO CENTRAL
SCHOOL DISTRICT
FINANCIAL REPORT
JUNE 30, 2022**

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BOULRICE & WOOD CPAS, P.C.

Certified Public Accountants

MICHAEL L. BOULRICE, CPA

STEPHEN P. WOOD, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Willsboro Central School District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Willsboro Central School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Willsboro Central School District, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Willsboro Central School District's basic financial statements. The accompanying Combining Non-Major Fund financial statements, Schedule of Change from Original Budget to Final Budget and the Real Property Tax Limit, Schedule of Project Expenditures, and Net Investment in Capital Assets are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining Non-Major Fund financial statements, Schedule of Change from Original Budget to Final Budget and the Real Property Tax Limit, Schedule of Project Expenditures, and Net Investment in Capital Assets are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2022, on our consideration of Willsboro Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Willsboro Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Willsboro Central School District's internal control over financial reporting and compliance.

Boulrice & Wood CPAs, PC

Boulrice & Wood, CPA's PC
September 26, 2022

The following is Management's Discussion and Analysis (MD&A) of the Willsboro Central School District's financial performance for the fiscal year ended June 30, 2022. The MD&A is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements.

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

FINANCIAL HIGHLIGHTS FOR 2021-2022

- Net position for the general fund increased \$120,123.
- Net position for the school food service fund decreased \$4,182.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

DISTRICT-WIDE FINANCIAL STATEMENTS

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

NET POSITION
 GOVERNMENTAL ACTIVITIES

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Current and Other Assets	\$ 6,892,373	\$ 4,022,646
Capital Assets	8,820,998	9,117,650
Total Assets	<u>15,713,371</u>	<u>13,140,296</u>
Deferred Outflow of Resources		
Unamortized Defeasance Loss	167,534	203,747
Other Post Employment Benefits	5,338,787	7,079,302
Pensions	1,796,498	1,956,700
Total Assets and Deferred Outflow of Resources	<u>\$ 23,016,190</u>	<u>\$ 22,380,045</u>
Long-Term Liabilities	\$ 36,044,288	\$ 37,969,672
Other Liabilities	446,616	495,088
Total Liabilities	<u>36,490,904</u>	<u>38,464,760</u>
Deferred Inflow of Resources		
Other Post Employment Benefits	1,441,690	1,243,056
Pensions	3,335,132	778,443
Total Deferred Inflow of Resources	<u>4,776,822</u>	<u>2,021,499</u>
Net Assets		
Net Invested in Capital Assets	3,052,335	2,568,171
Restricted	1,307,196	1,253,835
Unrestricted	(22,611,067)	(21,928,220)
Total Net Assets	<u>(18,251,536)</u>	<u>(18,106,214)</u>
Total Liabilities, Deferred Inflow of Resources and Net Assets	<u>\$ 23,016,190</u>	<u>\$ 22,380,045</u>

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

available for future spending. Although the investment in capital assets is reported net of related debt, the resources necessary to repay this debt must be provided from the general fund budget. These assets are not to be liquidated to pay any of the debt. Investment in capital assets increased 16.9% from 2020-2021 to 2021-2022. This is primarily from the payment of outstanding debt and depreciation.

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

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

The unrestricted net position decreased by \$682,847 largely due to GASB 75 "Accounting for other Post-Employment Benefits".

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

CHANGES IN NET POSITION
 (STATEMENT OF ACTIVITIES)

Revenues:	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Program Revenues:		
Charges for services	\$ 9,643	\$ 5,866
Operating grants	827,579	649,510
Total program revenues	<u>837,222</u>	<u>655,376</u>
General Revenues:		
Property Taxes	5,709,887	5,645,796
State Aid	2,914,334	2,804,845
Federal Aid	48,982	91,754
Use of Money and Property	6,893	3,296
Charges for services	103,307	149,258
Miscellaneous	144,115	178,862
Total general revenues	<u>8,927,518</u>	<u>8,873,811</u>
Total Revenues:	<u>9,764,740</u>	<u>9,529,187</u>
Expenses:		
General Government Support	1,141,005	1,140,781
Instruction	4,982,480	4,802,696
Pupil Transportation	330,878	297,690
Employee Benefits	3,252,516	4,431,242
Debt Service – Interest	138,340	216,550
Cost of Sales – food	64,843	66,980
Total Expenses:	<u>9,910,062</u>	<u>10,955,939</u>
Increase (Decrease) in Net Position:	<u>\$ (145,322)</u>	<u>\$ (1,426,752)</u>

The Statement of Activities is similar to an income statement, in that it reports revenues, expenses, and changes in net position. The greatest amount of revenues comes from one source, property taxes, totaling \$5,709,887. The District is susceptible to fluctuations in the New York State budget. Less money means a higher property tax rate and an unknown New York State budget further complicates the District's planning process. The largest expense categories are instruction to students, \$4,982,480 and employee benefits, \$3,252,516. The District has a decrease in net position of \$145,322.

The total decrease in expenses was 9.55%. However, the largest percentage increase was to Instruction, which was 3.7%.

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

FUND FINANCIAL STATEMENTS

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

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

General Fund. The total fund balance increased 3.3% from 2020-2021 to 2021-2022.

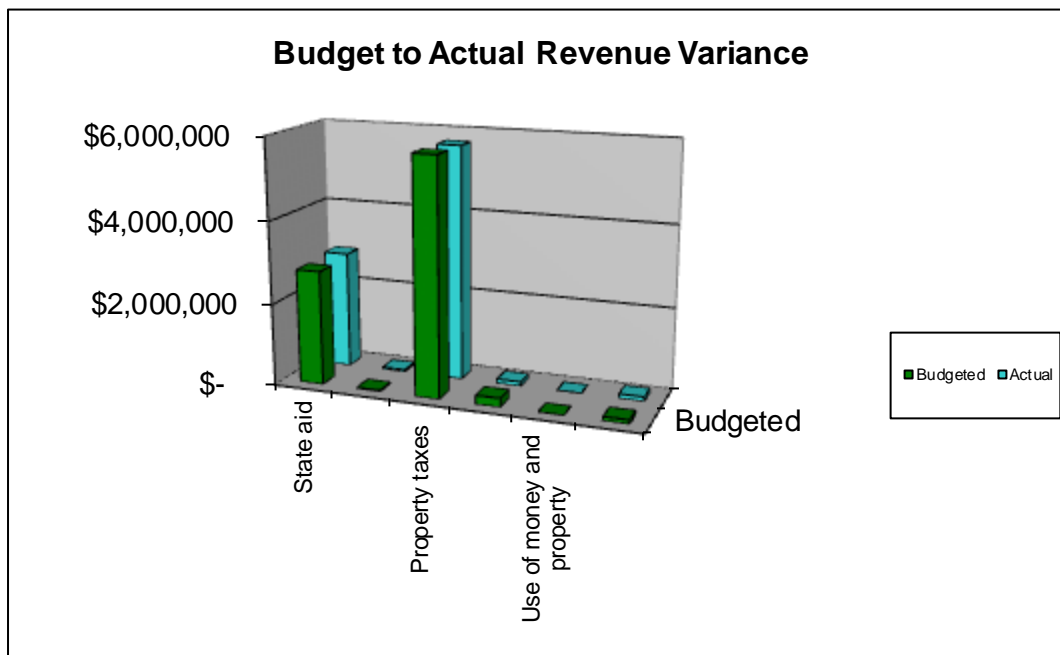
School Food Service Fund. The fund balance is currently \$89,560, \$4,182 below the prior year. This fund experienced an increase of \$15,865 in employee benefits. The cost of food and supplies decreased by \$2,137. The District transferred \$109,907 into the Cafeteria Fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's general fund budget is prepared according to New York State law. During the 2021-2022 school year the original budget increased \$88,077. The increase was from prior year encumbrances in the amount of \$18,627 and EBALR appropriations in the amount of \$69,450.

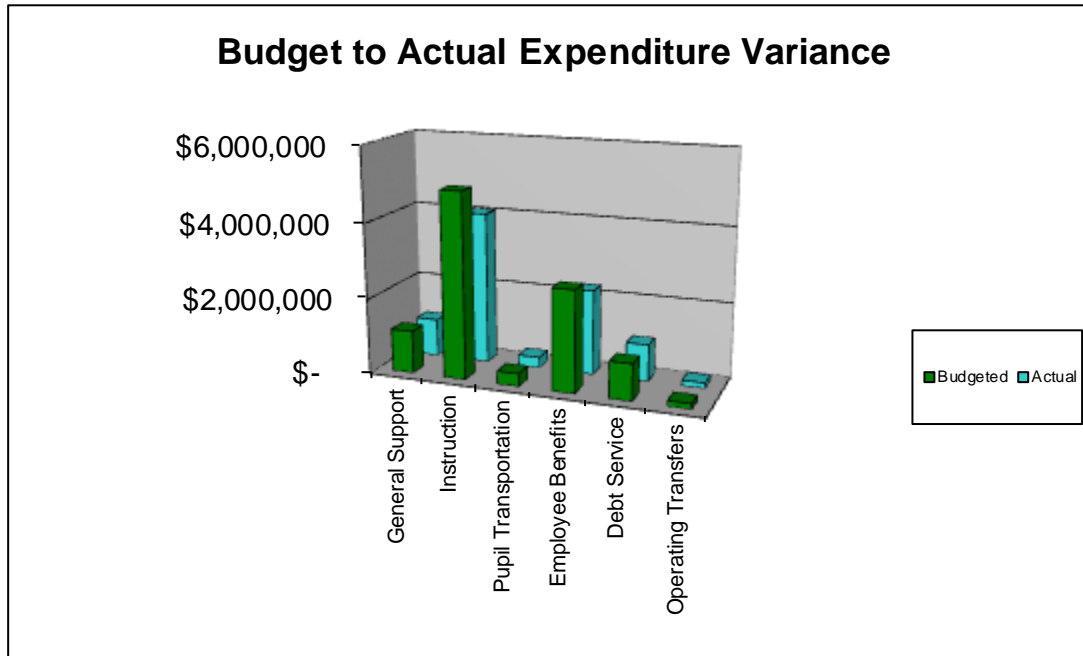
The budget increased from 2020-2021 to 2021-2022, \$9,656,491 to \$10,114,584.

General fund actual revenues fall short of the budget by \$20,087. The largest portion of the short fall came from Charges for Services \$112,273.



	Budgeted	Actual	Variance
State aid	\$ 2,788,095	\$ 2,865,886	\$ 77,791
Federal sources	30,000	48,982	18,982
Property taxes	5,726,720	5,709,887	(16,833)
Charges for services	215,580	103,307	(112,273)
Use of money and property	3,000	6,767	3,767
Miscellaneous	97,290	105,769	8,479
	<u>\$ 8,860,685</u>	<u>\$ 8,840,598</u>	<u>\$ (20,087)</u>

General fund actual expenditures were less than budgeted by \$1,482,186.



	Budgeted	Actual	Variance
General Support	\$ 1,132,155	\$ 1,008,522	\$ (123,633)
Instruction	4,925,511	4,044,905	(880,606)
Pupil Transportation	341,700	285,971	(55,729)
Employee Benefits	2,685,327	2,258,723	(426,604)
Debt Service	972,553	976,939	4,386
Operating Transfers	145,415	145,415	-
	<u>\$ 10,202,661</u>	<u>\$ 8,720,475</u>	<u>\$ (1,482,186)</u>

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's capital assets as of June 30, 2022, are as follows:

	<u>2022</u>	<u>Restated 2021</u>
Non-Depreciable Assets:		
Land	\$ 236,016	\$ 236,016
Construction work in progress	-	-
Depreciable Assets:		
Building and Improvements	8,137,401	8,467,730
Furniture, Machinery, and Equipment	385,151	413,904
Intangible right-to-use assets	<u>62,430</u>	<u>17,536</u>
TOTAL	<u><u>\$ 8,820,998</u></u>	<u><u>\$ 9,135,186</u></u>

Debt

The District's total outstanding debt, as of June 30, 2022, was \$5,988,402 with \$704,201 due within one year.

OUTSTANDING DEBT

	<u>Beginning</u>	<u>Ending</u>
Serial Bonds	\$ 5,275,000	\$ 4,675,000
Energy Performance Contract	1,390,000	1,300,000
Leases Payable	17,536	13,402
	<u><u>\$ 6,682,536</u></u>	<u><u>\$ 5,988,402</u></u>

According to Local Finance Law, Section 104.00, a school district may issue debt up to ten percent (10%) of its full valuation of real property subject to taxation. The legal debt limit is \$55,401,928, which is significantly greater than the outstanding debt.

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- The State's financial health and the impact this condition will have on state aid. Also, repercussions of the COVID-19 pandemic including but not limited to state aid uncertainty, the increase of the cost of living, the increased cost of doing business due to supply/demand & supply chain shortages, and the increased cost of labor due to employment shortages.
- Recent District trend of decreasing enrollment.

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

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

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

WILLSBORO CENTRAL SCHOOL DISTRICT

EXHIBIT 1

STATEMENT OF NET POSITION
JUNE 30, 2022**ASSETS**

Cash:

Unrestricted	\$ 2,032,773
Restricted	1,286,739

Receivables:

Accounts receivable	4,313
State and federal aid	651,118
Due from other governments	196,590

Inventories

12,702

Deposit, electric reserve

5,800

Capital assets, net of accumulated depreciation and amortization

8,820,998

Net pension asset-proportionate share

2,702,338

Total Assets15,713,371**DEFERRED OUTFLOWS OF RESOURCES**

Unamortized defeasance loss

167,534

Other post employment benefits

5,338,787

Pensions

1,796,498

Total Deferred Outflows of Resources7,302,819**Total Assets and Deferred Outflows of Resources**\$ 23,016,190**LIABILITIES**

Payables:

Accounts payable	\$ 87,671
Bond anticipation notes	80,223
Due to other governments	117
Due to teacher's retirement system	251,244
Due to employee's retirement system	19,586
Unearned revenue	7,775

Long-term liabilities

Due and payable within one year:

Bonds payable and long-term debt, current	690,000
Leases payable current	4,201

Due and payable after one year

Bonds payable and long-term debt, non-current	5,637,572
Leases payable non-current	9,201
Compensated absences payable	154,761
Other post employment benefits	29,548,553

Total Liabilities36,490,904**DEFERRED INFLOWS OF RESOURCES**

Other post employment benefits

1,441,690

Pensions

3,335,132

Total Deferred Inflows of Resources4,776,822**NET POSITION**

Net investment in capital assets

3,052,335

Restricted

1,307,196

Unrestricted

(22,611,067)**Total Net Position**(18,251,536)**Total Liabilities, Deferred Inflows and Net Position**\$ 23,016,190

See Notes to the Financial Statements.

WILLSBORO CENTRAL SCHOOL DISTRICT

EXHIBIT 2

STATEMENT OF ACTIVITIES
Year Ended June 30, 2022

FUNCTIONS/ PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS	
General support	\$ (1,141,005)	\$ -	\$ -	\$ (1,141,005)
Instruction	(4,982,480)	-	647,951	(4,334,529)
Pupil transportation	(330,878)	-	-	(330,878)
Employee benefits	(3,252,516)	-	-	(3,252,516)
Debt service	(138,340)	-	-	(138,340)
School lunch program	(64,843)	9,643	179,628	124,428
Total Functions and Programs	<u>\$ (9,910,062)</u>	<u>\$ 9,643</u>	<u>\$ 827,579</u>	<u>(9,072,840)</u>
GENERAL REVENUES				
Real property taxes				5,709,887
Charges for Services				103,307
Use of money and property				6,893
Miscellaneous				144,115
State sources				2,914,334
Federal sources				48,982
Total General Revenues				<u>8,927,518</u>
Change in Net Position				(145,322)
Total Net Position - Beginning of Year				<u>(18,106,214)</u>
Total Net Position - End of Year				<u>\$ (18,251,536)</u>

See Notes to the Financial Statements.

BALANCE SHEET-GOVERNMENTAL FUNDS
June 30, 2022

	<u>GENERAL</u>	<u>SPECIAL AID</u>	<u>SCHOOL FOOD SERVICE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>NON-MAJOR</u>	<u>TOTAL</u>
ASSETS							
Unrestricted cash	\$ 2,032,773	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,032,773
Restricted cash	1,163,399	10,481	36,421	-	9,499	66,939	1,286,739
Accounts receivable	4,313	-	-	-	-	-	4,313
Due from other funds	511,027	-	12,720	-	-	-	523,747
State and federal aid receivable	166,982	448,527	35,609	-	-	-	651,118
Due from other governments	196,590	-	-	-	-	-	196,590
Inventories	-	-	12,702	-	-	-	12,702
Deposit, electric reserve	5,800	-	-	-	-	-	5,800
Total Assets	<u>\$ 4,080,884</u>	<u>\$ 459,008</u>	<u>\$ 97,452</u>	<u>\$ -</u>	<u>\$ 9,499</u>	<u>\$ 66,939</u>	<u>\$ 4,713,782</u>
LIABILITIES							
Accounts payable	\$ 84,354	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 84,354
Bond anticipation notes payable	-	-	-	-	80,223	-	80,223
Due to other governments	-	-	117	-	-	-	117
Due to other funds	12,720	459,008	-	-	52,019	-	523,747
Due to teachers' retirement system	251,244	-	-	-	-	-	251,244
Due to employees' retirement system	19,586	-	-	-	-	-	19,586
Unearned revenue	-	-	7,775	-	-	-	7,775
Total Liabilities	<u>367,904</u>	<u>459,008</u>	<u>7,892</u>	<u>-</u>	<u>132,242</u>	<u>-</u>	<u>967,046</u>
FUND BALANCES							
Nonspendable:							
Inventory	-	-	12,702	-	-	-	12,702
Restricted							
Capital reserve	482,803	-	-	-	-	-	482,803
Tax certiorari	18,924	-	-	-	-	-	18,924
Unemployment Insurance	15,118	-	-	-	-	-	15,118
Employee benefits accrued liability	440,982	-	-	-	-	-	440,982
Retirement reserve - ERS	125,248	-	-	-	-	-	125,248
Retirement reserve - TRS	80,324	-	-	-	-	-	80,324
Other	-	-	-	-	-	66,939	66,939
School lunch	-	-	76,858	-	-	-	76,858
Assigned							
Appropriated fund balance	1,489,519	-	-	-	-	-	1,489,519
Encumbrances (Note 10)	59,244	-	-	-	-	-	59,244
Unassigned	1,000,818	-	-	-	(122,743)	-	878,075
Total Fund Balances	<u>3,712,980</u>	<u>-</u>	<u>89,560</u>	<u>-</u>	<u>(122,743)</u>	<u>66,939</u>	<u>3,746,736</u>
Total Liabilities, Fund Balances and Deferred Inflows of Resources	<u>\$ 4,080,884</u>	<u>\$ 459,008</u>	<u>\$ 97,452</u>	<u>\$ -</u>	<u>\$ 9,499</u>	<u>\$ 66,939</u>	<u>\$ 4,713,782</u>

See Notes to the Financial Statements.

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Year Ended June 30, 2022

	GENERAL	SPECIAL AID	SCHOOL FOOD SERVICE	DEBT SERVICE	CAPITAL PROJECTS	NON-MAJOR	TOTAL
REVENUES							
Real property taxes	\$ 5,709,887	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,709,887
Charges for services	103,307	-	-	-	-	-	103,307
Use of money and property	6,767	-	49	-	-	77	6,893
Miscellaneous	105,769	-	8	-	-	38,338	144,115
State sources	2,865,886	167,171	3,388	-	48,448	-	3,084,893
Federal sources	48,982	480,780	176,240	-	-	-	706,002
Sales	-	-	9,643	-	-	-	9,643
Total Revenues	8,840,598	647,951	189,328	-	48,448	38,415	9,764,740
EXPENDITURES							
General support	1,008,522	-	86,433	-	-	44,625	1,139,580
Instruction	4,044,905	622,931	-	-	-	-	4,667,836
Pupil transportation	285,971	-	-	-	-	-	285,971
Employee benefits	2,258,723	60,528	152,141	-	-	-	2,471,392
Debt service	976,939	-	-	-	-	-	976,939
Cost of sales	-	-	64,843	-	-	-	64,843
Capital outlay	-	-	-	-	46,788	-	46,788
Total Expenditures	8,575,060	683,459	303,417	-	46,788	44,625	9,653,349
Excess (Deficit) of Revenues over Expenditures	265,538	(35,508)	(114,089)	-	1,660	(6,210)	111,391
OTHER SOURCES AND USES							
BANs redeemed from appropriations	-	-	-	-	104,223	-	104,223
Operating transfers in	-	35,508	109,907	-	-	-	145,415
Operating transfers (out)	(145,415)	-	-	-	-	-	(145,415)
Total Other Sources and Uses	(145,415)	35,508	109,907	-	104,223	-	104,223
Excess (Deficiency) Revenues and Other Sources over Expenditures and Other Uses	120,123	-	(4,182)	-	105,883	(6,210)	215,614
Fund Balances, Beginning of Year	3,592,857	-	93,742	-	(228,626)	73,149	3,531,122
Fund Balances, End of Year	\$ 3,712,980	\$ -	\$ 89,560	\$ -	\$ (122,743)	\$ 66,939	\$ 3,746,736

See Notes to the Financial Statements.

WILLSBORO CENTRAL SCHOOL DISTRICT

EXHIBIT 5

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2022

	TOTAL GOVERNMENT FUNDS	LONG-TERM ASSETS, LIABILITIES	RECLASSIFICATION AND ELIMINATIONS	STATEMENT OF NET POSITION TOTALS
ASSETS				
Unrestricted cash	\$ 2,032,773	\$ -	\$ -	\$ 2,032,773
Restricted cash	1,286,739	-	-	1,286,739
Accounts receivable	4,313	-	-	4,313
Due from other funds	523,747	-	(523,747)	-
State and federal aid receivable	651,118	-	-	651,118
Due from other governments	196,590	-	-	196,590
Inventories	12,702	-	-	12,702
Deposit, electric reserve	5,800	-	-	5,800
Fixed assets	-	8,820,998	-	8,820,998
Net pension asset- proportionate share	-	2,702,338	-	2,702,338
Total Assets	4,713,782	11,523,336	(523,747)	15,713,371
DEFERRED OUTFLOW OF RESOURCES				
Unamortized defeasance loss	-	167,534	-	167,534
Other post employment benefits	-	5,338,787	-	5,338,787
Pensions	-	1,796,498	-	1,796,498
Total Deferred Outflows of Resources	-	7,302,819	-	7,302,819
Total Assets and Deferred Outflow of	\$ 4,713,782	\$ 18,826,155	\$ (523,747)	\$ 23,016,190
LIABILITIES				
Accounts payable	\$ 84,354	\$ 3,317	\$ -	\$ 87,671
Bond anticipation notes payable	80,223	-	-	80,223
Due to other funds	523,747	-	(523,747)	-
Due to other governments	117	-	-	117
Due to teacher's retirement system	251,244	-	-	251,244
Due to employee's retirement system	19,586	-	-	19,586
Unearned revenue	7,775	-	-	7,775
Bonds payable and other long-term debt	-	6,327,572	-	6,327,572
Leases payable	-	13,402	-	13,402
Compensated absences	-	154,761	-	154,761
Other post employment benefits	-	29,548,553	-	29,548,553
Total Liabilities	967,046	36,047,605	(523,747)	36,490,904
DEFERRED INFLOWS OF RESOURCES				
Other post employment benefits	-	1,441,690	-	1,441,690
Pensions	-	3,335,132	-	3,335,132
Total Deferred Inflow of Resources	-	4,776,822	-	4,776,822
FUND BALANCE/NET POSITION				
Total Fund Balance/Net Position	3,746,736	(21,998,272)	-	(18,251,536)
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 4,713,782	\$ 18,826,155	\$ (523,747)	\$ 23,016,190

See Notes to the Financial Statements.

WILLSBORO CENTRAL SCHOOL DISTRICT

EXHIBIT 6

RECONCILIATION OF GOVERNMENTAL FUNDS-REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO STATEMENT OF ACTIVITIES
Year Ended June 30, 2022

	TOTAL GOVERNMENT FUNDS	LONG-TERM REVENUE EXPENSES	CAPITAL RELATED ITEMS	LONG-TERM DEBT TRANSACTION	RECLASSIFICATION AND ELIMINATIONS	STATEMENT OF ACTIVITIES TOTALS
REVENUES						
Real property taxes	\$ 5,709,887	\$ -	\$ -	\$ -	\$ -	\$ 5,709,887
Charges for services	103,307	-	-	-	-	103,307
Use of money and property	6,893	-	-	-	-	6,893
Miscellaneous	144,115	-	-	-	-	144,115
State sources	3,084,893	-	-	-	-	3,084,893
Federal sources	706,002	-	-	-	-	706,002
Sales	9,643	-	-	-	-	9,643
Total Revenues	<u>9,764,740</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,764,740</u>
EXPENDITURES						
General support	1,139,580	-	1,425	-	-	1,141,005
Instruction	4,667,836	-	314,644	-	-	4,982,480
Pupil transportation	285,971	-	44,907	-	-	330,878
Employee benefits	2,471,392	781,124	-	-	-	3,252,516
Debt service	976,939	-	-	(734,376)	(104,223)	138,340
Cost of sales	64,843	-	-	-	-	64,843
Capital outlay	46,788	-	(46,788)	-	-	-
Total Expenditures	<u>9,653,349</u>	<u>781,124</u>	<u>314,188</u>	<u>(734,376)</u>	<u>(104,223)</u>	<u>9,910,062</u>
Excess (Deficit) of Revenues over Expenditures	<u>111,391</u>	<u>(781,124)</u>	<u>(314,188)</u>	<u>734,376</u>	<u>104,223</u>	<u>(145,322)</u>
OTHER SOURCES AND USES						
BAN's redeemed from appropriations	104,223	-	-	-	(104,223)	-
Operating transfers in	145,415	-	-	-	(145,415)	-
Operating transfers out	(145,415)	-	-	-	145,415	-
Total Other Sources and Uses	<u>104,223</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(104,223)</u>	<u>-</u>
Net Change for the Year	<u>\$ 215,614</u>	<u>\$ (781,124)</u>	<u>\$ (314,188)</u>	<u>\$ 734,376</u>	<u>\$ -</u>	<u>\$ (145,322)</u>

See Notes to the Financial Statements.

WILLSBORO CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 1. Summary of Significant Accounting Policies

A. Reporting entity

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

B. Basis of presentation

1. District-Wide Statements

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

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

2. Fund Functional Statements

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

WILLSBORO CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 1. Summary of Significant Accounting Policies (continued)

The District reports the following major governmental funds:

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

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

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

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

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

C. Measurement Focus and Basis of Accounting

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers all revenues reported in the governmental funds to

WILLSBORO CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

D. Inventories

Inventories of food and supplies in the School Lunch Fund are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value, which approximates market. Purchases of supplies in other funds are recorded as expenditures at the time of purchase, and year-end inventory balances are not maintained.

E. Capital assets

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

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

WILLSBORO CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 1. Summary of Significant Accounting Policies (continued)

F. Deferred revenue - planned balance

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

G. Retirement plan

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

H. General long-term debt

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

I. Property taxes

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

J. Budgetary Procedures and Budgetary Accounting

1) General

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

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

2) Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other

WILLSBORO CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

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

K. Equity Classifications:

District- wide statements:

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

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

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

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

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

Fund statements:

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

Non-spendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the School Food Service Fund of \$12,702.

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

WILLSBORO CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 1. Summary of Significant Accounting Policies (continued)

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

Employee Benefits Accrued Liability

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

Retirement Contributions

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

Tax Certiorari

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

Unemployment Insurance

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

Capital Reserve

Capital Reserve (Education Law §3651) is used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term and the source of the funds. Expenditure may be made from the reserve only for a specific purpose further

WILLSBORO CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3561 of the Education Law. This reserve is accounted for in the General Fund.

Committed – Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the school district's highest level of decision making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2022.

Assigned – Includes amounts that are constrained by the school district's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the General fund are classified as Assigned Fund Balance in the General Fund. Encumbrances reported in the General Fund amounted to \$59,244.

Unassigned – Includes all other General Fund net position amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the School District.

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

Order of Use of Fund Balance:

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

- L. Events Occurring After Reporting Date: The District has evaluated events and transactions that occurred between June 30, 2022 and September 26, 2022, which is the

WILLSBORO CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 1. Summary of Significant Accounting Policies (continued)

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

- M. Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements

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

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

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

WILLSBORO CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 1. Summary of Significant Accounting Policies (continued)

O. New Accounting Standards:

The District has adopted and implemented all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable as of June 30, 2022, including GASB Statement No. 87, *Leases*.

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

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

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

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

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

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

WILLSBORO CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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

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

Ending fund balance reported on Balance Sheet - Governmental Funds (Exhibit 3)	\$ 3,746,736
Capital assets net of related depreciation/ amortization	8,820,998
Net pension asset	2,702,338
Deferred outflows:	
Deferred interest from bond refunding, net	167,534
Pensions - TRS	1,507,466
Pensions - ERS	289,032
Other post employment benefits	5,338,787
Liabilities, long term:	
Bonds payable	(6,327,572)
Leases payable	(13,402)
Accrued interest	(3,317)
Other post employment benefits	(29,548,553)
Compensated absences	(154,761)
Deferred inflows:	
Pensions - TRS	(2,853,607)
Pensions - ERS	(481,525)
Other post employment benefits	<u>(1,441,690)</u>
Ending net position reported on Statement of Net Position (Exhibit 1)	<u><u>\$ (18,251,536)</u></u>

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

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

1. Long-Term Revenue Differences

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

WILLSBORO CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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

2. Capital Related Differences

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

3. Long-Term Debt Transaction Differences

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

4. Other Post-Employment Benefits Differences

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

5. Pension differences

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

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

Revenues:

Total revenues and other funding sources of governmental funds (Exhibit 4)	\$ 9,764,740
No current year changes	-
Total revenues of governmental activities in the Statement of Activities (Exhibit 2)	<u>\$ 9,764,740</u>

WILLSBORO CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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

Expenditures:

Total expenditures reported in governmental funds (Exhibit 4)	\$ 9,653,349
In the Statement of Activities, certain operating expenses (compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). Compensated absences earned during the year exceeded the amount used.	5,210
When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/ amortization expense. This is the amount by which depreciation/ amortization expense exceeded capital expenditures in the current year.	314,188
Repayment of bond principal and principal of other long-term debt is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position, and does not effect the Statement of Activities.	(690,000)
Repayment of lease obligation is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position, and does not effect the Statement of Activities.	(4,134)
Repayment of bond anticipation notes is an expenditure in the General fund and other sources of income in the Capital Project's Fund. A reclassifying entry reduces both expenditures and other sources of income in the Statement of Activities.	(104,223)
Decrease in accrued interest	(247)
Amortization of bond premium	(76,208)
OPEB differences occur as a result of changes in the District's total OPEB liability and differences between the District's contributions and OPEB expense.	1,203,180
During the year ended June 30, 2021 the District refunded some of its existing debt. The difference between the amount of the new bond proceeds and the outstanding bonds retired will be amortized as an adjustment of interest expense in the statement of activities over the average remaining life of the refunded debt (8 years), beginning in the fiscal year ended 6/30/21. Current year amortization amounted to	36,213
(Increases) decreases in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for, or require, the use of current financial resources and therefore are not reported as revenues or expenditures in governmental funds.	
Teachers' Retirement System	(367,947)
Employees' Retirement System	(59,319)
Total expenses of governmental activities in the Statement of Activities (Exhibit 2)	<u>\$ 9,910,062</u>

WILLSBORO CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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

Other Sources and Uses

Total other sources and uses in governmental funds (Exhibit 4)	\$ 104,223
Repayment of bond anticipation notes is an expenditure in the General fund and other sources of income in the Capital Project's Fund. A reclassifying entry reduces both expenditures and other sources of income in the Statement of Activities.	(104,223)
Total other sources and uses in the Statement of Activities (Exhibit 2)	<u>\$ -</u>

Note 3. Cash and Investments

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

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

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

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

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash was \$1,286,739 at June 30, 2022.

WILLSBORO CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 4. Interfund Balances and Activity

Interfund balances and activity at June 30, 2022 and for the fiscal year then ended, were as follows:

<u>Fund Type</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Interfund Revenues</u>	<u>Interfund Expenditures</u>
General	\$ 511,027	\$ 12,720	\$ -	\$ 145,415
School Food Service Lunch	12,720	-	109,907	-
Special Aid	-	459,008	35,508	-
Capital Projects	-	52,019	-	-
 Total	<u>\$ 523,747</u>	<u>\$ 523,747</u>	<u>\$ 145,415</u>	<u>\$ 145,415</u>

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

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

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

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

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

WILLSBORO CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 5. Capital Assets

A summary of changes in capital assets follows:

Capital Assets

	6/30/2021 Balance	Additions	Retirements/ Reclassifications	6/30/2022 Balance
Capital assets that are not depreciated:				
Land	\$ 236,016	\$ -	\$ -	\$ 236,016
Construction work in process	-	46,788	(46,788)	-
Total non-depreciable historical cost	<u>236,016</u>	<u>46,788</u>	<u>(46,788)</u>	<u>236,016</u>
Capital assets that are depreciated:				
Buildings	13,906,747	-	-	13,906,747
Furniture and equipment	1,288,229	52,451	(2,969)	1,337,711
Total depreciable historical cost	<u>15,194,976</u>	<u>52,451</u>	<u>(2,969)</u>	<u>15,244,458</u>
Less accumulated depreciation:				
Buildings	5,439,017	330,329	-	5,769,346
Furniture and equipment	874,325	81,204	(2,969)	952,560
Total accumulated depreciation	<u>6,313,342</u>	<u>411,533</u>	<u>(2,969)</u>	<u>6,721,906</u>
Total depreciable historical cost, net	<u>8,881,634</u>	<u>(359,082)</u>	<u>-</u>	<u>8,522,552</u>
Intangible right-to-use assets:				
Leased equipment	21,060	58,834	-	79,894
Less accumulated amortization	3,524	13,940	-	17,464
Net intangible right-to-use asset	<u>17,536</u>	<u>44,894</u>	<u>-</u>	<u>62,430</u>
Total Capital Assets, Net	<u>\$ 9,135,186</u>	<u>\$ (267,400)</u>	<u>\$ (46,788)</u>	<u>\$ 8,820,998</u>

Depreciation/ amortization was charged to governmental functions as follows:

	<u>6/30/2022</u>
General Support	\$ 7,088
Instructions	373,478
Pupil Transportation	44,907
	<u>\$ 425,473</u>

WILLSBORO CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 5. Capital Assets (continued)

Intangible Right-to-Use Assets

In fiscal 2022, the District implemented the guidance in GASB Statement No. 87, *Leases* for accounting and reporting leases that had previously been reported as operating leases. Capital Assets now include the cost and accumulate amortization of computers and related equipment leased under long-term contracts. As of June 30, 2022, the District had three lease agreements in place. Two leases are paid over time as described in Note 7. These intangible right-to-use assets are being amortized over the lease term. During the year ended June 30, 2022, \$58,834 of computers and related equipment were leased with 100% of the payments paid up front. These leased assets are being amortized over a 5 year period.

Note 6. Compensated Absences

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

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

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

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

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

Note 7. Indebtedness

Short-Term Debt:

Description of Issue	Issue Date	Maturity	Interest Rate	Outstanding 6/30/2022
Bond Anticipation Note	7/28/2021	7/28/2022	0.79%	<u>\$ 80,223</u>

WILLSBORO CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 7. Indebtedness (continued)

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

	6/30/2021	Additions	Deletions	6/30/2022
Bond Anticipation Notes	\$ 184,446	\$ -	\$ (104,223)	\$ 80,223

Interest expense paid on short-term debt for the year ended June 30, 2022 is \$1,457.

Long-Term Debt:

a)

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

Interest paid	\$ 176,873
Less: interest accrued in the prior year	(3,564)
amortization of bond premium	(76,208)
Plus: interest accrued in the current year	3,317
amortization of defeasance loss	<u>36,213</u>
	<u>\$ 136,631</u>

b. Changes

The changes in the District's long-term indebtedness during the year ended June 30, 2022 are summarized as follows:

	Balance 6/30/2021	Additions	Deletions	Balance 6/30/2022
Serial Bonds	\$ 5,275,000	\$ -	\$ 600,000	\$ 4,675,000
Bond Premium, net of amort	428,780	-	76,208	352,572
Lease-Purchase Obligations	1,390,000	-	90,000	1,300,000
Leases Payable	17,536	-	4,134	13,402
Compensated Absences	149,551	5,210	-	154,761
Other Post Employment Benefits	30,284,522	-	735,969	29,548,553
Total	<u>\$ 37,545,389</u>	<u>\$ 5,210</u>	<u>\$ 1,506,311</u>	<u>\$ 36,044,288</u>

WILLSBORO CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 7. Indebtedness (continued)

c. Maturity

The following is a summary of maturity of indebtedness:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding 6/30/2022
Serial Bond 2020	5/26/2020	5/15/2032	2.25%-2.375%	\$ 485,000
Serial Bond 2021	3/30/2021	6/15/2029	1.0%-4.0%	4,190,000
Bond Premium, net of amort				352,572
				<u>\$ 5,027,572</u>

The following is a summary of maturing debt service requirements:

Fiscal Year Ending June 30:	Principal	Interest	Total
2023	\$ 610,000	\$ 114,881	\$ 724,881
2024	625,000	108,281	733,281
2025	625,000	101,469	726,469
2026	635,000	94,656	729,656
2027	650,000	81,844	731,844
2028-2032	1,530,000	94,832	1,624,832
	<u>\$ 4,675,000</u>	<u>\$ 595,963</u>	<u>\$ 5,270,963</u>

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

Lease-purchase obligations are as follows:

Description of Issue	Issue Date	Maturity Date	Interest Rate	Outstanding at 6/30/22
Energy performance contract	8/16/2018	6/15/2034	3.59%	<u>\$ 1,300,000</u>

WILLSBORO CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 7. Indebtedness (continued)

Fiscal Year Ending June 30:

2023		\$ 136,661
2024		138,431
2025		135,021
2026		136,611
2027		138,021
2028-2032		667,320
2033-2037		268,818
	Total minimum lease payments	1,620,883
	Less amount representing interest	(320,883)
	Present value of minimum lease payments	1,300,000
	Less current portion	(90,000)
	Long-term portion	<u>\$ 1,210,000</u>

Intangible Right-to-Use Lease Liabilities:

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

Lease liabilities are comprised of the following:

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding 6/30/2022
Computer servers	7/27/2020	7/15/2025	1.510%	\$ 7,629
Misc. computer equipment	4/27/2020	4/15/2025	1.660%	5,773
Total				<u>\$ 13,402</u>

Interest paid was \$252 for the year ended June 30,2022.

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

Minimum lease payments over the next five years include:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 4,201	\$ 186	\$ 4,387
2024	4,267	120	4,387
2025	4,334	52	4,386
2026	600	2	602
	<u>\$ 13,402</u>	<u>\$ 360</u>	<u>\$ 13,762</u>

WILLSBORO CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 8. Pension Plans

General Information

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

Teachers' Retirement System (TRS)

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

Employees' Retirement System (ERS)

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

WILLSBORO CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 8. Pensions (continued)

Funding Policies

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

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

	ERS	TRS
2022	\$ 82,029	\$ 251,478
2021	\$ 80,690	\$ 251,101
2020	\$ 98,088	\$ 295,577

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

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

At June 30, 2022 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, 2022 for ERS and June 30, 2021 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	ERS	TRS
Measurement Date	3/31/2022	6/30/2021
Net Pension asset/(liability)	\$ 135,788	\$ 2,566,550
District's portion of the Plan's total net pension asset/(liability)	0.0016611%	0.014811%
Change in proportion since the prior measurement date	\$ 137,670	\$ 3,006,487

WILLSBORO CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 8. Pensions (continued)

For the year ended June 30, 2022, the District's recognized pension (income) expense of \$21,535 for ERS and (\$132,500) for TRS. At June 30, 2022 the District's reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	\$ 10,283	\$ 353,772	\$ 13,338	\$ 13,334
Changes of assumptions	226,615	844,192	3,824	149,494
Net difference between projected and actual earnings on pension plan investments	-	-	444,649	2,686,160
Changes in proportion and differences between the Districts' contributions and proportionate share of contributions	32,548	75,163	19,714	4,619
District's contributions subsequent to the measurement date	19,586	234,339	-	-
Total	\$ 289,032	\$ 1,507,466	\$ 481,525	\$ 2,853,607

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

Year ended:	ERS	TRS
2022	\$ -	(316,672)
2023	(24,228)	(376,164)
2024	(45,178)	(476,015)
2025	(115,478)	(632,191)
2026	(27,195)	130,205
Thereafter	-	90,357
Total	\$ (212,079)	\$ (1,580,480)

Actuarial Assumptions

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

WILLSBORO CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 8. Pensions (continued)

	<u>ERS</u>	<u>TRS</u>
Measurement date	3/31/2022	6/30/2021
Actuarial valuation date	4/1/2021	6/30/2020
Interest rate	5.9%	6.95%
Salary scale	4.4%	1.95%-5.18%
Decrement tables	April 1, 2015- March 31, 2020 System's Experience	July 1, 2015- June 30, 2020 System Experience
Inflation rate	2.7%	2.40%

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

For ERS, the Actuarial assumptions used in the April 1, 2021 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

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

WILLSBORO CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 8. Pensions (continued)

	<u>ERS</u>	<u>TRS</u>
Measurement Date	3/31/2022	6/30/2021
Asset Type:	%	%
Domestic equity	3.30	6.80
International equity	5.85	7.60
Private equity	6.50	10.00
Real estate	5.00	6.50
Domestic fixed income securities	-	1.30
Opportunistic portfolio	4.10	-
Credit	3.78	-
Real assets	5.58	-
Cash	-1.00	(0.20)
Private debt	-	5.90
Global equities	-	7.10
Global bonds	-	0.80
High-yield bonds	-	3.80
Real estate debt	-	3.30

Discount Rate

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

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

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

WILLSBORO CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 8. Pensions (continued)

	1% Decrease 4.9%	Current Assumption 5.9%	1% Increase 6.9%
Employer's proportionate share of the net pension asset / (liability)	\$ (349,517)	\$ 135,788	\$ 541,722
TRIS	1% Decrease 5.95%	Current Assumption 6.95%	1% Increase 7.95%
Employer's proportionate share of the net pension asset / (liability)	\$ 269,322	\$ 2,566,550	\$ 4,497,203

Payables to the pension plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2022 represent the projected employer contribution for the period of April 1, 2022 through June 30, 2022 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Accrued retirement contributions as of June 30, 2022 amounted to \$19,586.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2022 are paid to the System in September, October and November 2022 through a state aid intercept. Accrued retirement contributions for the fiscal year ended June 30, 2022 are based on paid TRS wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2022 amounted to \$251,244.

Note 9. Post-Employment (Health Insurance) Benefits

The District provides post-employment (health insurance, etc.) coverage to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the District's contractual agreements. Post-employment benefits aggregating \$904,055 for 61 employees were charged to expenses/ expenditures in the Governmental Funds in the current year.

A. General Information about the OPEB Plan

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

WILLSBORO CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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

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

Employees Covered by Benefit Terms – At June 30, 2022, the following employees were covered by the benefit terms:

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

B. Total OPEB Liability

The District's total OPEB liability of \$29,548,553 was measured as of July 1, 2021, and was determined by an actuarial valuation as of July 1, 2021.

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

Inflation	2.5 percent
Salary Increases	3.5 percent
Discount Rate	2.14 percent
Healthcare Cost Trend Rates	6.0 percent for 2023, decreasing annually to an ultimate rate of 3.94 percent for 2082 and later years

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

Mortality rates were based on the RPH-2014 Mortality Table, as appropriate, with generational mortality adjusted to 2006 using scale MP-2014.

WILLSBORO CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2022

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

C. Changes in the Total OPEB Liability

Balance at June 30, 2021	<u>\$ 30,284,522</u>
<u>Changes for the Year-</u>	
Service Cost	918,741
Interest	680,616
Changes of benefit terms	(231,041)
Differences between expected and actual experience	(319,932)
Changes in assumptions or other inputs	(972,050)
Benefit payments	<u>(812,303)</u>
Net Changes	<u>(735,969)</u>
Balance at June 30, 2022	<u>\$ 29,548,553</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% percent in 2021 to 2.14% percent in 2022.

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 (1.14 percent) or 1 percentage point higher (3.14 percent) than the current discount rate:

	1% Decrease 1.14%	Discount Rate 2.14%	1% Increase 3.14%
Total OPEB Liability	<u>\$ 34,572,592</u>	<u>\$ 29,548,553</u>	<u>\$ 25,516,024</u>

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	<u>\$ 25,247,428</u>	<u>\$ 29,548,553</u>	<u>\$ 35,000,181</u>

WILLSBORO CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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

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

For the year ended June 30, 2022, the District recognized OPEB expense of \$2,166,835. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,245,944	\$ 257,410
Changes of assumptions or other inputs	3,129,188	1,184,280
Contributions subsequent to the measurement date	<u>963,655</u>	<u>-</u>
Total	<u><u>\$ 5,338,787</u></u>	<u><u>\$ 1,441,690</u></u>

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

Fiscal Year Ending June 30,	<u>Amount</u>
2023	\$ 1,224,198
2024	1,318,955
2025	520,939
2026	<u>(130,650)</u>
	<u><u>\$ 2,933,442</u></u>

Note 10. Assigned Fund Balance – Encumbrances

<u>General Fund</u>	<u>2022</u>
Central Services	\$ 40,392
Teaching - regular school	3,465
Special Education Programs	684
Instructional Media	3,803
Pupil Services	10,719
Pupil Transportation	<u>181</u>
	<u><u>\$ 59,244</u></u>

WILLSBORO CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 11. Commitments and Contingencies

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

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

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

From time to time the Willsboro Central School District is involved in tax certiorari proceedings from residents petitioning to have their assessed taxable values lowered. At June 30, 2022, the District is aware of certain petitions for tax certiorari proceedings amounting to \$20,226. A reserve for tax certiorari is established for \$18,924.

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

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

Note 12. Joint Venture

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

WILLSBORO CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 12. Joint Venture (continued)

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

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

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

During the year ended June 30, 2022, the Willsboro Central School District was billed \$1,361,209 for BOCES administrative program costs. Participating school districts issue debt on behalf of BOCES. During the year ended June 30, 2022, Willsboro Central School District issued no serial bonds on behalf of BOCES. General-purpose financial statements for the Clinton-Essex-Warren-Washington BOCES are available from BOCES administrative office at P.O. Box 485, Plattsburgh, New York. The District's share of BOCES income amounted to \$165,855. BOCES also refunded the District \$16,928 for excess expenses billed in prior years.

Note 13. Tax Abatements

The County of Essex entered into various property tax abatement programs for the purpose of economic development. The School District property tax revenue was reduced \$10,798. The District received Payment in Lieu of Tax (PILOT) totaling \$0.

Note 14. Stewardship, Compliance and Accountability

The District's unassigned general fund balance was in excess of the New York State Real Property Tax Law Section 1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year. The unassigned fund balance at June 30, 2022 was \$1,000,818 which represents 9.55% of next year's budget. The excess amounted to \$581,623.

WILLSBORO CENTRAL SCHOOL DISTRICT
 COMBINING BALANCE SHEET - NON-MAJOR
 June 30, 2022

	SCHOLARSHIP FUND	EXTRACLASSROOM ACTIVITIES FUND	Total
ASSETS			
Cash	\$ 34,252	\$ 32,687	\$ 66,939
Total Assets	\$ 34,252	\$ 32,687	\$ 66,939
FUND BALANCES			
Total Fund Balances	\$ 34,252	\$ 32,687	\$ 66,939

WILLSBORO CENTRAL SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES AND EXPENDITURES - NON-MAJOR FUNDS

Year Ended June 30, 2022

	SCHOLARSHIP FUND	EXTRACLASSROOM ACTIVITIES FUND	Total
REVENUES			
Miscellaneous revenue	\$ -	\$ 38,338	\$ 38,338
Investment earnings	77	-	77
Total Revenues	77	38,338	38,415
EXPENDITURES			
Scholarships and awards	4,300	-	4,300
Disbursements - extraclassroom	-	40,325	40,325
Total Expenditures	4,300	40,325	44,625
Changes in Fund Balances	(4,223)	(1,987)	(6,210)
Fund Balances, Beginning of Year	38,475	34,674	73,149
Fund Balances, End of Year	\$ 34,252	\$ 32,687	\$ 66,939

WILLSBORO CENTRAL SCHOOL DISTRICT

**SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND THE REAL PROPERTY TAX LIM
Year Ended June 30, 2022**

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted budget		\$ 10,114,584
Additions:		
Encumbrances - fiscal year 2021	18,627	
Appropriated reserves -Employee benefit accrued liability	<u>69,450</u>	
Total additions		<u>88,077</u>
Final budget		<u><u>\$ 10,202,661</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2022-2023 expenditure budget		<u><u>\$ 10,479,884</u></u>
Maximum allowed (4% of 2021-23 budget)		<u><u>419,195</u></u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:		
Unrestricted fund balance:		
Committed fund balance	\$ -	
Assigned fund balance	1,548,763	
Unassigned fund balance	<u>1,000,818</u>	
Total unrestricted fund balance		<u><u>2,549,581</u></u>
Less:		
Appropriated fund balance	1,489,519	
Insurance recovery reserve	-	
Tax reduction reserve	-	
Encumbrances included in assigned fund balance	<u>59,244</u>	
Total adjustments		<u><u>1,548,763</u></u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:		<u><u>\$ 1,000,818</u></u>
Actual percentage		<u><u>9.55%</u></u>

See Independent Auditor's Report.

WILLSBORO CENTRAL SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2022

	Adopted Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
Revenues:				
Local sources:				
Real property tax items	\$ 5,726,720	\$ 5,726,720	\$ 5,709,887	\$ (16,833)
Charges for services	215,580	215,580	103,307	(112,273)
Use of money and property	3,000	3,000	6,767	3,767
Miscellaneous	97,290	97,290	105,769	8,479
State sources	2,788,095	2,788,095	2,865,886	77,791
Federal sources	30,000	30,000	48,982	18,982
Total revenues	<u>8,860,685</u>	<u>8,860,685</u>	<u>8,840,598</u>	<u>(20,087)</u>
Appropriated Fund Balance:				
Prior year appropriated surplus	1,253,899	1,253,899		
Prior year encumbrances	-	18,627	-	
Appropriated reserves	-	69,450	-	
Total Appropriated Fund Balance	<u>1,253,899</u>	<u>1,341,976</u>	<u>-</u>	
Total Revenues and Appropriated Fund Balance	<u>\$ 10,114,584</u>	<u>\$ 10,202,661</u>	<u>8,840,598</u>	

See Independent Auditor's Report.

	Adopted Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Final Budget Variance with Budgetary Actual and Encumbrances
Expenditures:					
General support:					
Board of education	\$ 4,350	\$ 4,451	\$ 4,451	\$ -	\$ -
Central administration	247,321	263,400	263,400	-	-
Finance	166,340	162,430	148,030	-	14,400
Staff	45,087	46,256	36,394	-	9,862
Central services	482,205	484,636	380,817	40,392	63,427
Special items	170,789	170,982	175,430	-	(4,448)
Total General Support	1,116,092	1,132,155	1,008,522	40,392	83,241
Instructional:					
Administration and improvement	24,240	130,440	127,273	-	3,167
Teaching - regular school	1,866,715	1,988,852	1,845,429	3,465	139,958
Special education programs	2,369,778	2,160,365	1,620,023	684	539,658
Instructional media	245,720	341,059	188,290	3,803	148,966
Pupil services	297,680	304,795	263,890	10,719	30,186
Total Instructional	4,804,133	4,925,511	4,044,905	18,671	861,935
Pupil transportation	337,274	341,700	285,971	181	55,548
Employee Benefits	2,769,533	2,685,327	2,258,723	-	426,604
Debt service	972,552	972,553	976,939	-	(4,386)
Total Expenditures	9,999,584	10,057,246	8,575,060	59,244	1,422,942
Other Financing Uses:					
Interfund transfer	115,000	145,415	145,415	-	-
Total Expenditures and Other Uses	10,114,584	10,202,661	8,720,475	\$ 59,244	\$ 1,422,942
Net Change in Fund Balance			120,123		
Fund Balance - Beginning			<u>3,592,857</u>		
Fund Balance - Ending			<u>\$ 3,712,980</u>		

See Independent Auditor's Report.

WILLSBORO CENTRAL SCHOOL DISTRICT

SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND

Year Ended June 30, 2022

Project Title	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	(Overexpended) Unexpended Balance	Methods of Financing			Fund Balance June 30, 2022	
							Proceeds of Obligations	State Aid	Local Sources		
Buses 6/30/17	\$ 116,312	\$ 116,312	\$ 116,312	\$ -	\$ 116,312	\$ -	\$ -	\$ -	\$ 116,413	\$ 116,413	\$ 101
Buses 6/30/18	77,500	77,500	73,333	-	73,333	-	-	-	61,500	61,500	(11,833)
Buses 6/30/20	126,445	126,445	126,445	-	126,445	-	-	-	62,222	62,222	(64,223)
Smart School	88,502	88,502	88,502	46,788	135,290	-	-	88,502	-	88,502	(46,788)
Total Buses	\$ 408,759	\$ 408,759	\$ 404,592	\$ 46,788	\$ 451,380	\$ -	\$ -	\$ 88,502	\$ 240,135	\$ 328,637	\$ (122,743)

See Independent Auditor's Report.

WILLSBORO CENTRAL SCHOOL DISTRICT

NET INVESTMENT IN CAPITAL ASSETS

Year Ended June 30, 2022

Capital Assets, Net	\$ 8,820,998
Add:	
Deferred interest from bond refunding, net	167,534
Deduct:	
Bond anticipation notes	(80,223)
Premium on bonds payable	(352,572)
Short-term portion of bonds payable and long-term debt	(700,000)
Long-term portion of bonds payable and long-term debt	(5,275,000)
Short-term portion of lease payable	(4,201)
Long-term portion of lease payable and long-term debt	(9,201)
Add: bonds payable used for BOCES project	485,000
Net investment in capital assets	<u><u>\$ 3,052,335</u></u>

WILSBORO CENTRAL SCHOOL DISTRICT

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

Year Ended June 30, 2022

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

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

Changes of assumptions and other inputs reflects the change in the discount rate from 2.21% to 2.14% at the current measurement date.

WILLSBORO CENTRAL SCHOOL DISTRICT

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET) LIABILITY
Year Ended June 30, 2022

NYSERS Pension Plan
 Last 10 Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	-0.0016611%	0.0018905%	0.0017736%	0.0018537%	0.0018766%	0.0018136%	0.0020480%	0.0022604%		
District's proportionate share of the net pension liability (asset)	\$ (135,788)	\$ 1,882	\$ 469,663	\$ 131,340	\$ 60,567	\$ 170,413	\$ 328,715	\$ 76,361		
District's covered- employee payroll	\$ 680,086	\$ 575,083	\$ 621,719	\$ 669,007	\$ 688,772	\$ 663,661	\$ 589,064	\$ 597,581		
Districts proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-19.97%	0.33%	75.54%	19.63%	8.79%	25.68%	55.80%	12.78%		
Plan fiduciary net position as a percentage of the total pension liability	-103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%		

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

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

WILLSBORO CENTRAL SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS

Year Ended June 30, 2022

NYSERS Pension Plan
Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 82,029	\$ 80,690	\$ 98,088	\$ 99,239	\$ 96,101	\$ 92,075	\$ 112,806	\$ 113,828	\$ 127,701	\$ 113,237
Contributions in relation to the contractually required contribution	\$ 82,029	\$ 80,690	\$ 98,088	\$ 99,239	\$ 96,101	\$ 92,075	\$ 112,806	\$ 113,828	\$ 127,701	\$ 113,237
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Districts covered-employee payroll	\$ 680,086	\$ 575,083	\$ 621,719	\$ 669,007	\$ 688,772	\$ 663,661	\$ 589,064	\$ 597,581		
Contributions as a percentage of covered employee payroll	12.06%	14.03%	15.78%	14.83%	13.95%	13.87%	19.15%	19.05%		

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

WILLSBORO CENTRAL SCHOOL DISTRICT

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET) LIABILITY
Year Ended June 30, 2022

NYSTRS Pension Plan
 Last 10 Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	-0.014811%	0.015921%	-0.016165%	-0.016856%	-0.016860%	0.016683%	-0.016880%	-0.016803%	-0.016602%	
District's proportionate share of the net pension liability (asset)	\$ (2,566,550)	\$ 439,937	\$ (419,973)	\$ (304,800)	\$ (128,151)	\$ 178,680	\$ (1,753,281)	\$ (1,871,733)	\$ (109,281)	
District's covered- employee payroll	\$ 2,472,903	\$ 2,559,430	\$ 2,806,596	\$ 2,699,072	\$ 2,743,360	\$ 2,671,721	\$ 2,574,327	\$ 2,482,043		
Districts proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-103.79%	17.19%	-14.96%	-11.29%	-4.67%	6.69%	-68.11%	-75.41%		
Plan fiduciary net position as a percentage of the total pension liability (asset)	-113.25%	97.76%	-102.17%	-101.53%	-100.66%	99.01%	-110.46%	-111.48%		

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

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

WILLSBORO CENTRAL SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS

Year Ended June 30, 2022

NYSTRS Pension Plan
Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 238,596	\$ 239,422	\$ 286,552	\$ 269,073	\$ 313,126	\$ 341,356	\$ 444,488	\$ 403,332	\$ 287,926	\$ 292,542
Contributions in relation to the contractually required contribution	\$ 238,596	\$ 239,422	\$ 286,552	\$ 269,073	\$ 313,126	\$ 341,356	\$ 444,488	\$ 403,332	\$ 287,926	\$ 292,542
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Districts covered-employee payroll	\$ 2,472,903	\$ 2,559,430	\$ 2,806,596	\$ 2,699,072	\$ 2,743,360	\$ 2,671,721	\$ 2,574,327	\$ 2,482,043		
Contributions as a percentage of covered employee payroll	9.65%	9.35%	10.21%	9.97%	11.41%	12.78%	17.27%			

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

BOULRICE & WOOD CPAS, P.C.

Certified Public Accountants

MICHAEL L. BOULRICE, CPA

STEPHEN P. WOOD, CPA

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Willsboro Central School District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Willsboro Central School District's basic financial statements and have issued our report thereon dated September 26, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

Findings and Responses as item 2022-001 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Willsboro Central School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government *Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2022-001.

District's Response to Findings

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

Purpose of this Report

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

Boulrice & Wood CPAs, PC

Boulrice & Wood, CPA'S PC
September 26, 2022

**WILLSBORO CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2022**

FINANCIAL STATEMENTS

Significant Deficiency

2022-001 Excess Fund Balance

Condition: The District's unassigned general fund balance was 9.55% of the 2022/2023 budget.

Effect: The District's unassigned general fund balance was 5.55%, or \$960,785, over the amount allowable by law.

Cause: Actual expenditures are significantly less than budgeted amounts.

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

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

View of Responsible Officials and Planned Corrective Action: Willsboro Central School District took a conservative approach to spending this school year due to the current economic climate which has resulted from the COVID-19 pandemic. Not only are the repercussions of COVID-19 on State Aid funding a concern, but the increased cost of doing business also weighs heavily on the District's financial outlook. The District has experienced an overall increase in the cost of doing business due to the following constraints: 1) Availability due to the supply & demand issues, as well as supply chain shortages are continuing to increase the cost of items needed for normal school year operations. 2) The rising cost of fuel and utilities has made a significant impact on actual expenses. In some cases, the actual expenditures came in increased anywhere from 40 - 75% higher than what was budgeted. 3) The District is experiencing a shortage of available labor, which is increasing costs due to overtime cost increases, and/or the need to hire vendors to supplement or supply labor services. 4) The District anticipates additional staffing needs to combat student learning loss going forward. 5) For the past several years, the District has had several high cost special education students including two residential students who are being educated outside of New York State. The cost of the residential students alone makes up 6% of the fiscal year's budget. When adding in our high cost identified students that are educated at our local BOCES, it equates to 17% of the cost of the fiscal year's budget. Our Special Education Chairperson has addressed concerns for several of our high need students who are currently educated in our building, and planning at some point for those students to transition to be educated at our local BOCES, or even potentially winding up as additional residential placements as they age.

**WILLSBORO CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
JUNE 30, 2022**

Due to those highly unpredictable factors, the Board of Education and the District are comfortable with having a small excess unassigned fund balance in case of a major cost shift. The District did make an effort to shift the excess fund balance to a more acceptable level this fiscal year. Previously at the close of the 2020/21 fiscal year, the fund balance was 11.27%, and the District was able to make accommodations in the 2021/22 fiscal year to reduce the overall fund balance to 9.55%. The Board of Education plans to use its fund balance in future budgets to provide stability to taxpayers in a fiscally responsible manner during these unstable financial times. Although the District has several fully funded reserves, it will continue to investigate the establishment of other reserves in order to attempt to maintain the financial diversity that the Comptroller prescribes.

BOULRICE & WOOD CPAS, P.C.

Certified Public Accountants

MICHAEL L. BOULRICE, CPA

STEPHEN P. WOOD, CPA

INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying statements of assets, liabilities and fund balance – cash basis and the related statement of receipts, disbursements and ending balances – cash basis of the Extraclassroom Activity Funds of the Willsboro Central School District as of and for the year June 30, 2022, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance – cash basis of the Extraclassroom Activity Funds of the Willsboro Central School District as of June 30, 2022, and its receipts, disbursements and ending balances – cash basis thereof for the year then ended in accordance with the basis of accounting as described in Note 1

Basis for Opinions

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

Emphasis of Matter—Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Boulrice & Wood CPAs, PC

Boulrice & Wood, CPA's PC
September 26, 2022

**WILLSBORO CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS**

**STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCES - CASH BASIS
June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	\$ 32,687	\$ 34,674
Total Assets	<u>\$ 32,687</u>	<u>\$ 34,674</u>
FUND BALANCE		
Extraclassroom Activity	\$ 32,687	\$ 34,674
Total Fund Balance	<u>\$ 32,687</u>	<u>\$ 34,674</u>

See Notes to the Financial Statements – Extraclassroom Activity Fund

**WILLSBORO CENTRAL SCHOOL DISTRICT
EXTRACLASROOM ACTIVITY FUNDS**

**STATEMENTS OF CASH RECEIPTS, DISBURSEMENTS AND ENDING BALANCES - CASH BASIS
Year Ended June 30, 2022**

Activity	Balance June 30, 2021	Receipts	Disbursements	Balance June 30, 2022
Class of 2020	\$ 824	\$ -	\$ 824	\$ -
Class of 2021	10	139	149	-
Class of 2022	6,145	4,161	10,306	-
Class of 2023	1,804	6,442	5,510	2,736
Class of 2024	1,600	6,676	3,582	4,694
Class of 2025	-	9,299	6,360	2,939
Band Boosters	552	-	401	151
Drama Club	2,388	610	1,057	1,941
Student Council	3,061	946	760	3,247
French Club	1,195	-	113	1,082
Key Club	416	1,646	1,180	882
CFES	5,166	-	5,166	-
JNHS	1,413	236	229	1,420
NHS	4,150	11	212	3,949
RSVP	-	4,755	-	4,755
Spanish Club	1,686	-	330	1,356
STEM Club	300	-	-	300
Yearbook	3,705	3,410	4,146	2,969
Interest Income	259	7	-	266
	<u>\$ 34,674</u>	<u>\$ 38,338</u>	<u>\$ 40,325</u>	<u>\$ 32,687</u>

See Notes to the Financial Statements – Extraclassroom Activity Fund

WILLSBORO CENTRAL SCHOOL DISTRICT

**EXTRACLASSROOM ACTIVITY FUNDS
NOTES TO FINANCIAL STATEMENTS**

Note 1. Summary of Significant Accounting Policies

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

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

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