

**Alexandria Central School District  
Financial Statements with  
Independent Auditors' Report  
June 30, 2023**

**Alexandria Central School District**  
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**June 30, 2023**

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**Independent Auditors' Report**

Board of Education  
Alexandria Central School District

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Alexandria Central School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Alexandria 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 Alexandria Central School District, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Alexandria 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 the Alexandria 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, the schedule of funding progress - other post-employment benefits plan – last 6 fiscal years, the schedule of revenue, expenditures and changes in fund balance – budget and actual – general fund, the schedules of District contributions – NYSTRS & NYSERS pension plans – last 9 fiscal years, and the schedules of District's proportionate share of the net pension liability – NYSTRS & NYSERS pension plans – last 9 fiscal years on pages 5-16 and 61-64 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 Alexandria Central School District's basic financial statements. The accompanying schedule of change from adopted budget to final budget and the real property tax limit – general fund, schedule of project expenditures – capital projects fund, net investment in capital assets and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 schedule of change from adopted budget to final budget and the real property tax limit – general fund, schedule of project expenditures – capital projects fund, net investment in capital assets and schedule of expenditures of federal awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2023, on our consideration of Alexandria 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 Alexandria 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 Alexandria Central School's internal control over financial reporting and compliance.

*Stackel & Navarra, CPA, PC*

Watertown, NY  
October 13, 2023

**Alexandria Central School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023**

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

**Financial Highlights**

At the close of the fiscal year, the total liabilities plus deferred inflow of resources (what the District owes) exceeded its total assets plus deferred outflow of resources (what the Districts owns) by \$31,447,153 (net position).

As of the close of the fiscal year, the District's governmental funds reported combined fund balances of \$732,872, a decrease of \$4,381,380 in comparison with the prior year.

At the close of the fiscal year, the total enrollment was 460 students, a decrease of 38 students (7.63%) with the prior year.

During the fiscal year, the District had begun phase one of a capital outlay project. This project included upgrades to the girls' locker room. The voter-approved gym renovation was begun during the 2020-21 year, and is still in process, with an anticipated completion date of November 2023.

During the fiscal year, the District received voter authorization to bond two (2) school buses and a school vehicle. These bond proceeds amounted to \$315,000, with the first principal payment due August 2023.

**Overview of the Financial Statements**

This annual report consists of three parts: Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information.

The Management's Discussion and Analysis is intended to serve as an introduction to the District's basic financial statements.

The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements. The fund financial statements concentrate on the District's most significant funds with all other non-major funds consolidated in one column. The District considers each fund as a significant fund.

**Alexandria Central School District  
Management’s Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023**

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District’s budget for the year.

The major features of the District’s financial statements, including the portion of the District’s activities they cover and types of information they contain are shown below. The remainder of this overview section of MD&A highlights the structure and contents of each of the statements.

<b>Major Features of the Government-Wide and Fund Financial Statements</b>			
<b>Government-Wide Statements</b>		<b>Fund Financial Statements</b>	
		<b>Governmental Funds</b>	<b>Fiduciary Funds</b>
<b>Scope</b>	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance.	Instances in which the District administers resources on behalf of someone else, such as scholarship programs.
<b>Required Financial Statements</b>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Fiduciary Net Position</li> <li>• Statement of Changes in Fiduciary Net Position</li> </ul>
<b>Accounting Basis and Measurement Focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
<b>Type of Asset / Deferred Outflows of Resources / Liability / Deferred Inflows of Resources Information</b>	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term debt	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources (if any) both short-term and long-term; funds do not currently contain capital assets, although they can
<b>Type of Inflow/ Outflow Information</b>	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

**Alexandria Central School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023**

**Government-Wide Statements**

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

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

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

**Fund Financial Statements**

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

**Governmental Funds**

All of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending.

The funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

The governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

This information does not encompass the additional long-term focus of the government-wide statements; therefore, additional information at the bottom of the governmental funds statements explains the relationship or differences between them.

**Alexandria Central School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023**

The District maintains six individual governmental funds. Information is presented separately in the governmental fund *Balance Sheet* and the governmental fund *Statement of Revenues, Expenses, and Changes in Fund Balance* for the General Fund, Special Aid Fund, Food Services Fund, Debt Service Fund, Miscellaneous Special Revenues, and Capital Projects Fund.

**Financial Analysis of the District as a Whole**

**Net Position**

The District's combined net position on June 30, 2023 changed by \$10,065,378 to (\$31,447,153) as shown in the table below:

**Changes in Net Position from Operating Results**

	<u>Governmental Activities and Total School District</u>			
	<u>2022</u>	<u>2023</u>	<u>Increase / (Decrease)</u>	<u>Percentage Change</u>
Current and Other Assets	\$ 12,701,861	\$ 6,593,171	\$ (6,108,690)	-48.09%
Capital Assets, Net	<u>16,155,349</u>	<u>21,222,935</u>	<u>5,067,586</u>	31.37%
Total Assets	28,857,210	27,816,106	(1,041,104)	-3.61%
Deferred Outflows of Resources	<u>7,530,338</u>	<u>17,660,889</u>	<u>10,130,551</u>	134.53%
Total Assets and Deferred Outflows of Resources	<u>36,387,548</u>	<u>45,476,995</u>	<u>9,089,447</u>	24.98%
Long-term Liabilities	71,665,642	60,417,399	(11,248,243)	-15.70%
Other Liabilities	<u>621,984</u>	<u>1,328,837</u>	<u>706,853</u>	113.64%
Total Liabilities	72,287,626	61,746,236	(10,541,390)	-14.58%
Deferred Inflows of Resources	<u>5,612,453</u>	<u>15,177,912</u>	<u>9,565,459</u>	170.43%
Total Liabilities and Deferred Inflows of Resources	<u>77,900,079</u>	<u>76,924,148</u>	<u>(975,931)</u>	-1.25%
Net Position				
Net Investment in Capital Assets	10,372,787	11,113,374	740,587	7.14%
Restricted	1,399,938	873,129	(526,809)	-37.63%
Unrestricted (Restated)	<u>(53,285,256)</u>	<u>(43,433,656)</u>	<u>9,851,600</u>	-18.49%
Total Net Position	<u>\$ (41,512,531)</u>	<u>\$ (31,447,153)</u>	<u>\$ 10,065,378</u>	-24.25%

The District's financial position is the product of many factors including funding reserves, the result of full implementation of GASB #75 regarding retiree health obligations, and the \$6.5 million construction project in process.



**Alexandria Central School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023**

A substantial portion of the District's net position reflects its investment in capital assets consisting of land, buildings and improvements, equipment, and vehicles, less any related debt used to acquire those assets still outstanding. The District uses these assets to provide services to the students and consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The District's net position includes resources that are subject to external restrictions on how they may be used, which includes reserves set aside for specific purposes governed by statutory law and regulations. These include the debt service reserve, which is set aside for the repayment of bonds issued to finance capital projects; the capital reserve, which is dedicated for future renovations as approved by the District's voters; the employee benefit accrued liability reserve, which must be used to pay future accumulated sick and vacation time; the retirement contribution reserve, which is restricted to fund contributions paid by the District for both of the State's retirement systems; and the unemployment reserve, which is restricted to pay the cost of reimbursement to the State Unemployment Insurance Fund.

Changes in deferred outflows and deferred inflows of resources include changes in pension and postemployment benefits activity at the State level which is required to be reflected on the District's financial statements. Deferred outflows of resources include contributions required to be paid by the District to the State pension systems and healthcare premiums after the measurement date, and as such are not included in the current net pension position. Deferred outflows and deferred inflows of resources also reflect variances from actuarial assumptions, actual results of investment earnings compared to projected earnings, and changes of assumptions. The District has no control or authority over these transactions.

**Alexandria Central School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023**

**Changes in Net Position from Operating Results**

	<u>Governmental Activities and Total School District</u>			
	<u>2022</u>	<u>2023</u>	<u>Increase / (Decrease)</u>	<u>Percentage Change</u>
<b>Revenues</b>				
Charges for Services	\$ 37,808	\$ 68,861	\$ 31,053	82.13%
Operating Grants and Contributions	1,253,301	1,075,506	(177,795)	-14.19%
General Revenues				
Property Taxes	7,875,162	8,178,552	303,390	3.85%
State Formula Aid	5,171,005	5,371,127	200,122	3.87%
Interest Earnings	13,304	218,439	205,135	1541.90%
Other	339,931	891,884	551,953	162.37%
Total Revenues	<u>14,690,511</u>	<u>15,804,369</u>	<u>1,113,858</u>	7.58%
<b>Expenses</b>				
General Support	5,222,033	1,545,826	(3,676,207)	-70.40%
Instruction	19,345,867	2,715,397	(16,630,470)	-85.96%
Pupil Transportation	2,703,766	772,302	(1,931,464)	-71.44%
Debt Service - Interest	169,449	178,679	9,230	5.45%
School Food Service Program	483,870	526,787	42,917	8.87%
Total Expenses	<u>27,924,985</u>	<u>5,738,991</u>	<u>(22,185,994)</u>	-79.45%
Increase/(Decrease) in Net Position	<u>\$ (13,234,474)</u>	<u>\$ 10,065,378</u>	<u>\$ 23,299,852</u>	-176.05%

**Governmental Activities**

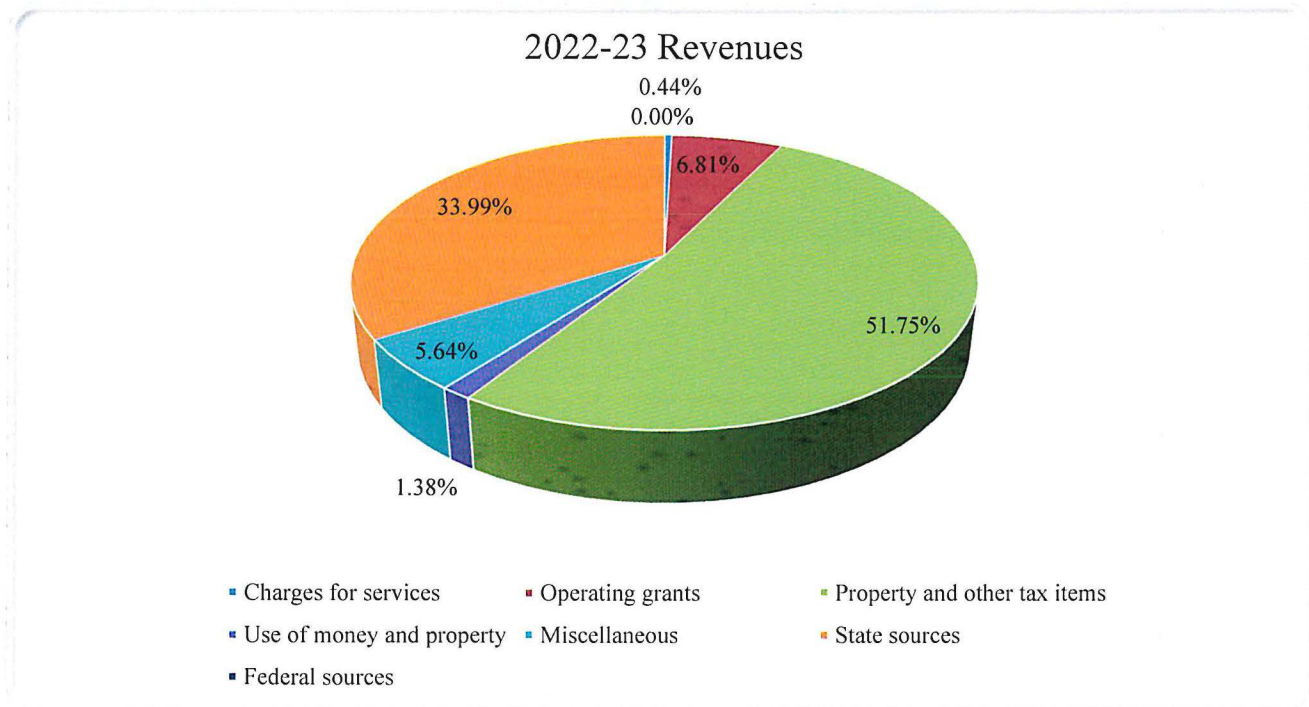
This section discusses the cost of five major District activities: general support, instruction, pupil transportation, school lunch, and interest on long-term debt.

The District's total revenue increased by 7.58%, to \$15,804,369. State and federal aid (34%) and property taxes (52%) accounted for most of the District's revenue. The remaining (14%) of the revenue comes from operating grants, charges for services, investment earnings, compensation for loss, and miscellaneous revenues. The federal and state governments subsidized certain programs with grants and contributions of \$1,075,506. Grants and contributions decreased by 14% over prior year due to the reduced funding received from CRRSA and ARPA.

Most of the District's costs, however, were financed by District taxpayers and taxpayers of New York State. There was \$5,371,127 in state aid based on a statewide education aid formula, and \$8,178,552 received in property taxes.

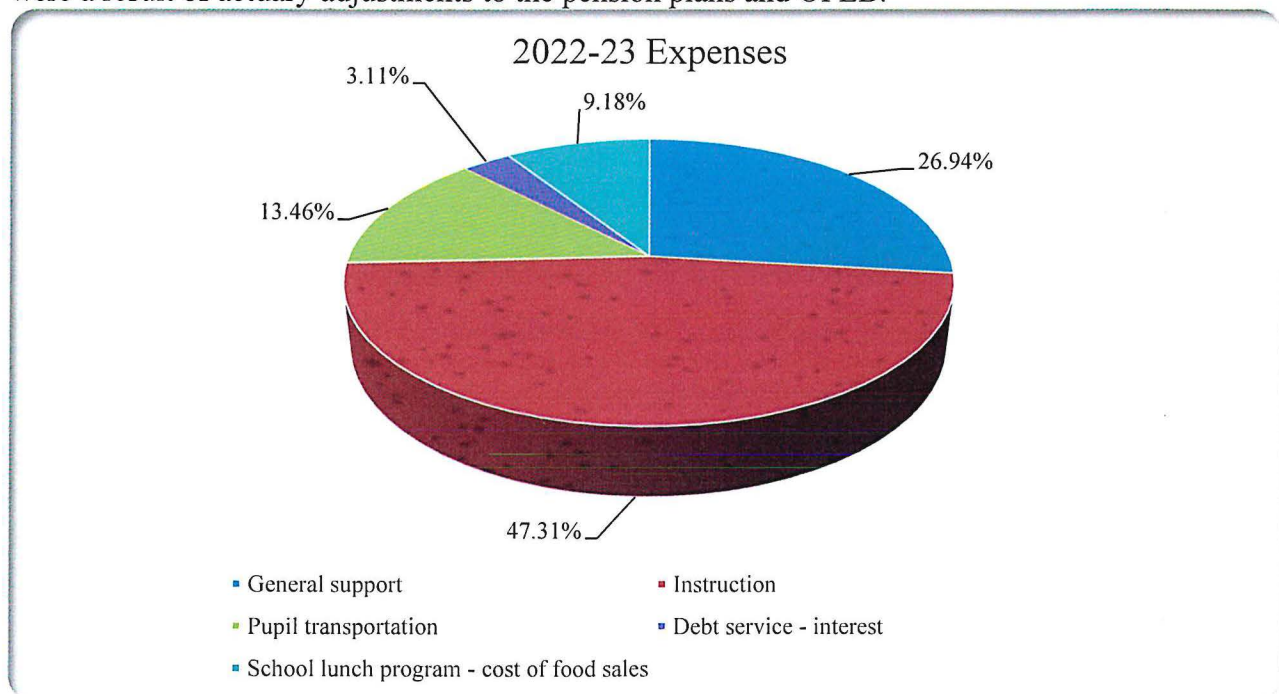


**Alexandria Central School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023**



The total cost of all the programs and services decreased to \$5,738,991. During the 2022-23 fiscal year, Alexandria Central School District's predominate expenses were related to the direct and indirect instructional programs and caring of our students which accounted for \$2,715,397, or 47% of the total costs. General support, which included expenses associated with the operation, maintenance, and administration of the District accounted for 27% of the total costs.

The year-over-year decrease in expenses totaled \$22,185,994, or 79%. This decrease in expenses were a result of actuary adjustments to the pension plans and OPEB.



**Alexandria Central School District  
Management’s Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023**

**Financial Analysis of the District’s Funds**

The financial performance of the District as a whole is reflected in its governmental funds. At the end of the fiscal year, the District’s governmental funds reported combined fund balances of \$732,872, a decrease of \$4,381,380 from last year’s ending fund balance of \$5,114,252. The fund balances represent the availability of governmental fund resources for future use.

Nonspendable fund balance is the portion of fund balance which is not available for appropriation because the funds are in nonspendable form, such as inventory, prepaid items, and/or long-term receivables.

A reserved or restricted fund balance indicates that it is not available due to the fact that it is either legally restricted to liquidate current contracts or restricted for other purposes. The additional reserve and the increases in the amounts in various reserves demonstrate the continuing growth in the District’s financial strength.

The assigned fund balance is generally comprised of appropriated for taxes for the next fiscal year and/or encumbrances which represent purchase commitments made by the District’s Purchasing Agent through their authorization of a purchase order prior to year end.

One of the most important pieces of information reported in the governmental fund financial statements is unassigned fund balance. The unassigned portion is not specifically designated and will assist the District in cash flow needs.

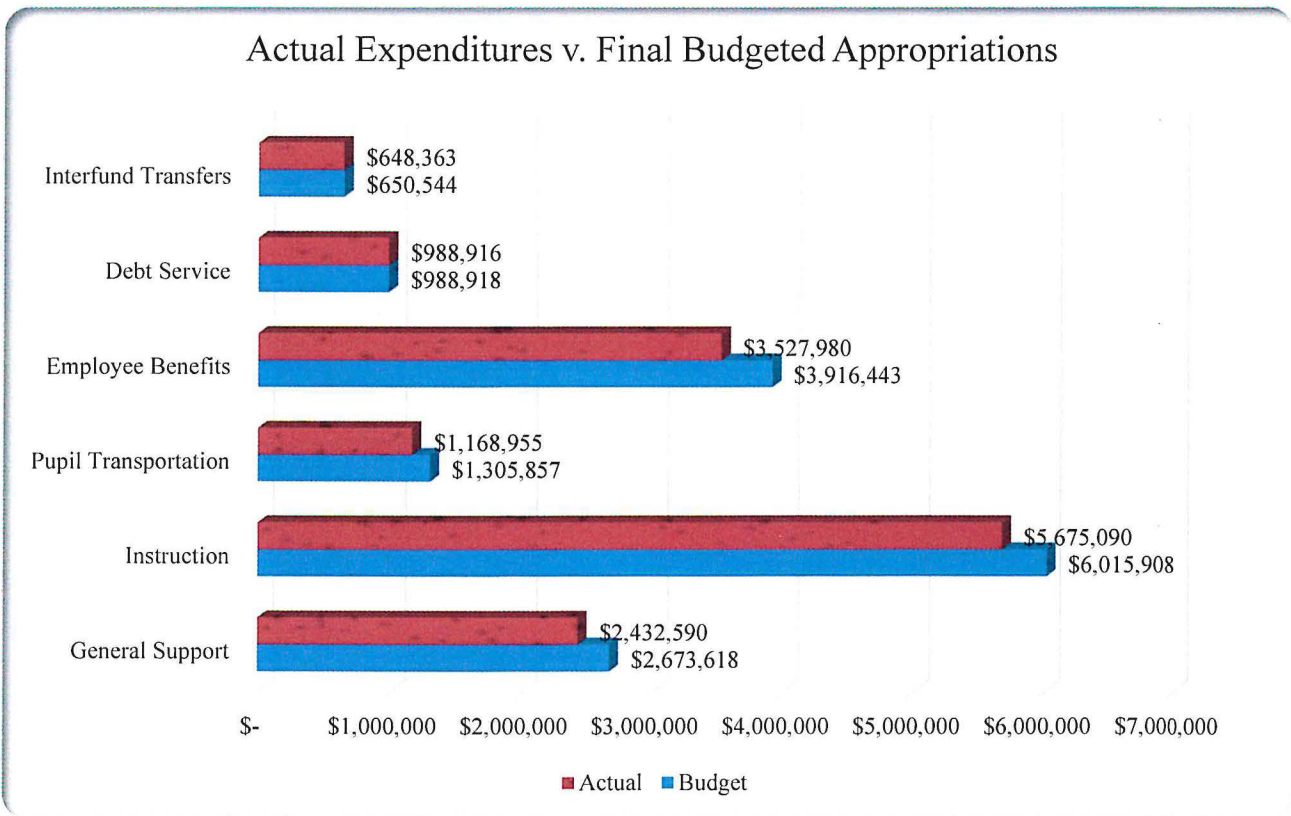
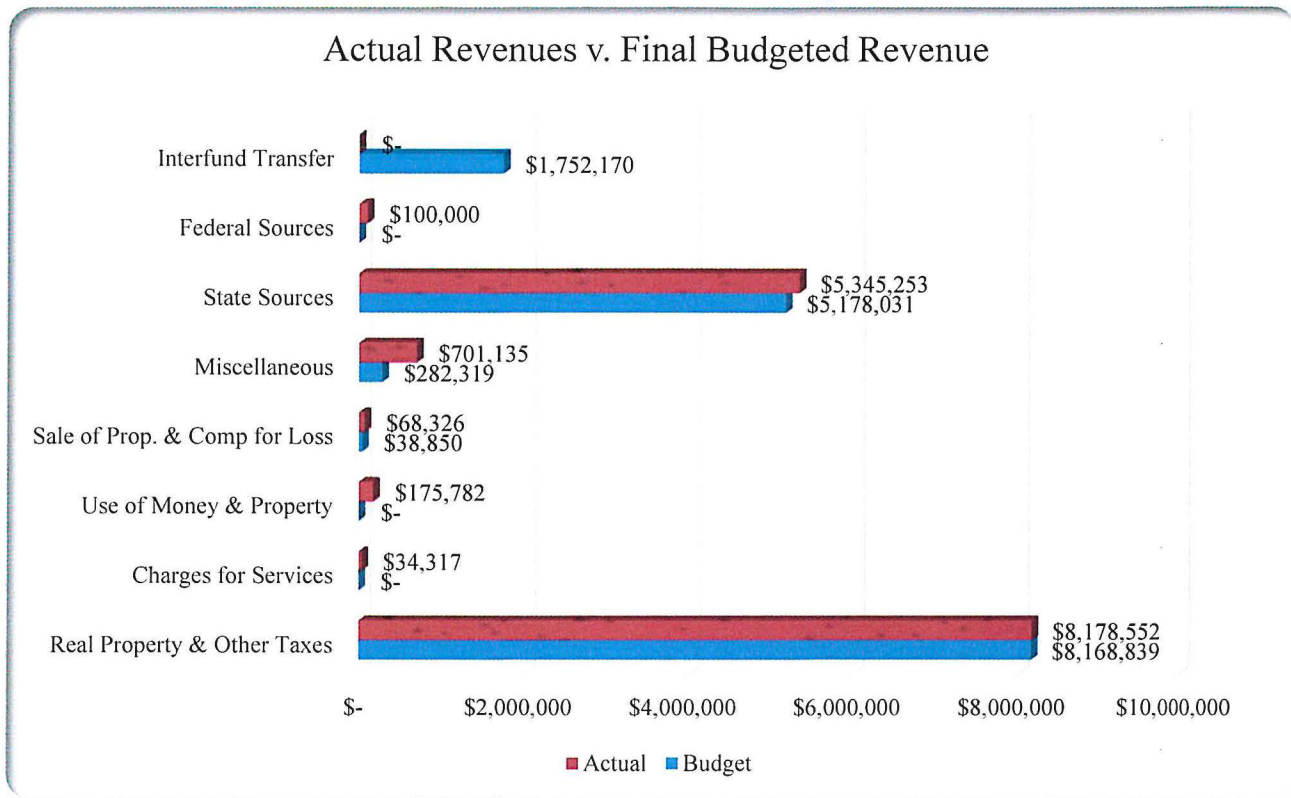
The fund balance available in the General Fund represents \$3,837,176 of the governmental total fund balance. At the end of this year, the total fund balance in the General Fund was divided between \$813,303 in restricted fund balance, \$1,540,035 in assigned fund balance, and \$1,483,838 in unassigned fund balance.

The District funded the following restricted funds in the 2022-23 fiscal year, see table below:

<b><u>General Fund Restricted Balances:</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>Total Variance</u></b>
Reserve for Unemployment Insurance	\$ 62,003	\$ 64,257	\$ 2,254
Capital Reserve	-	100,000	100,000
Retirement Contribution Reserve - ERS	365,190	431,781	66,591
Retirement Contribution Reserve - TRS	80,893	166,359	85,466
Reserve for Employee Benefit Accrued Liability	25,000	50,906	25,906
<b>Total General Fund Restricted Balance</b>	<b><u>\$ 533,086</u></b>	<b><u>\$ 813,303</u></b>	<b><u>\$ 280,217</u></b>

**Alexandria Central School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023**

**General Fund Budgetary Highlights**



**Alexandria Central School District  
Management’s Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023**

Over the course of the year, the District revised the annual operating budget. During the 2022-23 fiscal year, the Board of Education approved amendments increasing budget appropriations from \$15,030,670 to \$15,551,288. This increase included \$31,079 of encumbrances rolled over from the prior fiscal year, and \$341,370 of transfers into the Capital Fund, based upon the voter-approved gym renovation project.

Actual revenues were \$14,633,625, a difference of \$965,586 or 6.21% higher than the final amended budget. Interest income, miscellaneous, and State revenues were all higher than anticipated. This was due to additional Inter-Municipal Agreements with Hammond Central School District, repayment of three years of a PILOT agreement, and unanticipated interest rate hikes during the year. During the 2022-23 fiscal year, Alexandria Central took over the CSE services for Hammond Central School District. The revenues from this agreement amounted to \$255,300.

Actual expenditures and carryover encumbrances were \$14,521,970 or 6.62% less than the final amended budget due, in part, to conservative budgeting and expenditure controls and reclassification of expenses to CRRSA and ARPA funding.

**Capital Asset and Debt Administration**

**Capital Assets**

By the end of the 2022-23 fiscal year, the District has invested \$20,999,711 in a broad range of capital assets, including land, school buildings, furniture, equipment, and vehicles. These amounts are represented as follows:

	<u>2022</u>	<u>2023</u> <u>Additions</u>	<u>2023</u> <u>Retirements</u>	<u>2023</u>
Land	\$ 54,825	\$ -	\$ -	\$ 54,825
Construction in Progress	509,991	5,234,910	-	5,744,901
Buildings and improvements	21,303,158	-	-	21,303,158
Furniture and equipment	530,525	24,216	-	554,741
Vehicles	1,866,514	349,168	(247,902)	1,967,780
Less:				
Accumulated depreciation	<u>(8,109,664)</u>	<u>(709,320)</u>	<u>193,290</u>	<u>(8,625,694)</u>
<b>Net Capital Assets</b>	<b><u>\$ 16,155,349</u></b>	<b><u>\$ 4,898,974</u></b>	<b><u>\$ (54,612)</u></b>	<b><u>\$ 20,999,711</u></b>

Notable additions during the fiscal year included the purchase of two (2) buses, via bonding and the voter-approved gym renovation.

**Right-to-Use Assets**

The District is in possession of assets that it paid for the right-to-use over a period of time. All of the assets under the right-to-use agreement were paid for during the past five years, in full, during the year the right-to-use agreement began for a particular asset. The amount is amortized over five



**Alexandria Central School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023**

years, the number of years each asset item is to be used under the right-to-use agreement. A summary of the assets purchased by year, less accumulated amortization, is summarized as follows:

<u>Fiscal year</u> <u>obtained</u>	<u>Cost</u>	<u>Prior</u> <u>Amortization</u>	<u>Current</u> <u>Amortization</u>	<u>Total</u> <u>Amortization</u>	<u>Net</u>
06/30/18	\$ 116,084	\$ 92,867	\$ 23,217	\$ 116,084	\$ -
06/30/19	66,735	40,041	13,347	53,388	13,347
06/30/20	100,050	40,020	20,010	60,030	40,020
06/30/21	61,430	12,286	12,286	24,572	36,858
06/30/22	83,971	-	16,794	16,794	67,177
06/30/23	65,822	-	-	-	65,822
<b>Total</b>	<b>\$ 494,092</b>	<b>\$ 185,214</b>	<b>\$ 85,654</b>	<b>\$ 270,868</b>	<b>\$ 223,224</b>

**Short-Term Debt**

At year-end, the District had obtained BAN financing for the gym construction project. Transactions for short-term debt are as follows:

	<u>Maturity</u>	<u>Stated</u> <u>Interest</u> <u>Rate</u>	<u>Beginning</u> <u>Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending</u> <u>Balance</u>
BAN	6/29/2023	3.00%	\$2,519,919	\$ -	\$(2,519,919)	\$ -
BAN	6/28/2024	4.75%	-	4,550,000	-	4,550,000
			<u>\$2,519,919</u>	<u>\$4,550,000</u>	<u>\$(2,519,919)</u>	<u>\$4,550,000</u>

**Long-Term Debt**

At year-end, the District had \$55,867,399 in general obligation bonds and other long-term debt outstanding, a \$13,278,324 decrease from last year as follows:

	<u>2022</u>	<u>2023</u> <u>Additions</u>	<u>2023</u> <u>Retirements</u>	<u>2023</u>
Bonds payable	\$ 5,743,000	\$ 315,000	\$ (738,000)	\$ 5,320,000
Premiums on bonds	19,792	-	(3,455)	16,337
Installment purchase debt	19,770	-	(19,770)	-
Compensated absences payable	81,483	-	(12,060)	69,423
Other postemployment benefits obligation	63,281,678	-	(14,268,956)	49,012,722
Net pension liability - proportionate share	-	1,448,917	-	1,448,917
<b>Total Long-Term Obligations</b>	<b>\$ 69,145,723</b>	<b>\$ 1,763,917</b>	<b>\$ (15,042,241)</b>	<b>\$ 55,867,399</b>

**Alexandria Central School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023**

**School Food Service Fund**

During the 2022-23 fiscal year, the District was no longer eligible for the additional USDA funding under the COVID-19 Summer Food Service Program. The District did, however, qualify for the NYS 30% initiative funding. The fund continued to operate at a loss, which required a \$200,000 transfer from the General Fund to supplement the Food Service Program.

**Factors Bearing on the District's Future**

At the time these financial statements were prepared and audited, the School District was not aware of any existing circumstances which could significantly affect its financial position in the future.

**Contacting the District's Financial Management**

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

Mrs. Brianne Durham  
School Business Administrator  
Alexandria Central School District  
34 Bolton Avenue  
Alexandria Bay, NY 13607

**Alexandria Central School District**  
**Statement of Net Position**  
**Governmental Activities**  
**June 30, 2023**

Statement #1

**Assets**

Cash

Unrestricted	\$ 5,102,296
Restricted	913,989

Receivables

Accounts receivable	22,826
State and federal aid	306,206
Due from other governments	203,486

Prepaid Expenses

17,680

Inventories

26,688

Capital assets (net)

Not being depreciated	5,799,726
Being depreciated - net of accumulated depreciation	15,199,985

Right-to-use asset, net of accumulated depreciation

223,224

    Total Assets

\$ 27,816,106

**Deferred Outflows of Resources**

Pensions	3,569,786
----------	-----------

Other postemployment benefits	14,088,710
-------------------------------	------------

Deferred charges - bond refunding	2,393
-----------------------------------	-------

    Total Deferred Outflows of Resources

\$ 17,660,889

    Total Assets and Deferred Outflows of Resources

\$ 45,476,995

**Liabilities**

Payables

Accounts payable	\$ 409,854
------------------	------------

Retainage payable	239,871
-------------------	---------

Accrued liabilities	39,105
---------------------	--------

Accrued interest	18,538
------------------	--------

Due to other governments	594
--------------------------	-----

Unearned credits	10,572
------------------	--------

Due to teachers' retirement system	516,825
------------------------------------	---------

Due to employees' retirement system	93,478
-------------------------------------	--------

Long-term liabilities

    Due and payable within one year

Bond anticipation note	4,550,000
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Bonds payable, net	812,992
--------------------	---------

    Due and payable after one year

Bonds payable, net	4,523,345
--------------------	-----------

Compensated absences	69,423
----------------------	--------

Other postemployment benefits payable	49,012,722
---------------------------------------	------------

Net pension liability	1,448,917
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    Total Liabilities

\$ 61,746,236

**Alexandria Central School District  
Statement of Net Position  
Governmental Activities  
June 30, 2023**

Statement #1

**Deferred Inflows of Resources**

Pensions	\$ 358,869
Other postemployment benefits	<u>14,819,043</u>

Total Deferred Inflows of Resources \$ 15,177,912

**Net Position**

Net investment in capital assets \$ 11,113,374

Restricted for:

Unemployment	64,257
Retirement contributions - ERS/TRS	598,140
Employee benefits	50,906
Capital	100,000
Debt	159,826

Unrestricted (deficit) (43,533,656)

Total Net Position \$ (31,447,153)



**Alexandria Central School District**  
**Statement of Activities and Changes in Net Position**  
**Governmental Activities**  
**For the Year Ended June 30, 2023**

Statement #2

	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position
Functions/Programs		Charges for Services	Operating Grants	
General support	\$ 1,545,826	\$ -	\$ -	\$ (1,545,826)
Instruction	2,715,397	34,317	837,416	(1,843,664)
Pupil transportation	772,302	-	-	(772,302)
Debt service - interest	178,679	-	-	(178,679)
School lunch program	<u>526,787</u>	<u>34,544</u>	<u>238,090</u>	<u>(254,153)</u>
Total Functions and Programs	<u>\$ 5,738,991</u>	<u>\$ 68,861</u>	<u>\$ 1,075,506</u>	<u>(4,594,624)</u>
<b>General Revenues</b>				
Real property taxes				7,827,931
Other tax items				350,621
Use of money and property				218,439
Sale of property and compensation for loss				13,714
Miscellaneous				847,910
State sources				5,371,127
Federal sources				23,384
Medicaid reimbursement				<u>6,876</u>
Total General Revenues				<u>14,660,002</u>
Change in Net Position				10,065,378
Total Net Position - Beginning of year				<u>(41,512,531)</u>
Total Net Position - End of year				<u>\$ (31,447,153)</u>

**Alexandria Central School District**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**

Statement #3

	General	Special Aid	School Food Service	Debt Service	Capital Projects	Miscellaneous Special Revenue	Total Governmental Funds
<b>Assets</b>							
<b>Cash</b>							
Unrestricted	\$ 1,521,903	\$ -	\$ 20,494	\$ -	\$ 3,473,421	\$ 86,478	\$ 5,102,296
Restricted	813,303	-	-	100,686	-	-	913,989
<b>Receivables</b>							
Accounts receivable	22,766	-	60	-	-	-	22,826
State and federal aid	242,902	60,403	2,901	-	-	-	306,206
Due from other funds	1,801,180	13,804	-	59,140	-	2,500	1,876,624
Due from other governments	136,571	-	-	-	66,915	-	203,486
Prepays	-	-	-	-	17,680	-	17,680
Inventories	-	-	26,688	-	-	-	26,688
<b>Total Assets</b>	<b>\$ 4,538,625</b>	<b>\$ 74,207</b>	<b>\$ 50,143</b>	<b>\$ 159,826</b>	<b>\$ 3,558,016</b>	<b>\$ 88,978</b>	<b>\$ 8,469,795</b>
<b>Liabilities</b>							
<b>Payables</b>							
Accounts payable	\$ 39,096	\$ -	\$ -	\$ -	\$ 370,508	\$ 250	\$ 409,854
Retainage payable	-	-	-	-	239,871	-	239,871
Accrued liabilities	39,105	-	-	-	-	-	39,105
Bond anticipation note	-	-	-	-	4,550,000	-	4,550,000
Due to other funds	21,519	65,447	55,963	-	1,733,695	-	1,876,624
Due to other governments	-	-	594	-	-	-	594
Due to teachers' retirement system	516,825	-	-	-	-	-	516,825
Due to employees' retirement system	84,904	-	8,574	-	-	-	93,478
<b>Unearned credits</b>							
Unearned revenues	-	8,760	1,812	-	-	-	10,572
<b>Total Liabilities</b>	<b>701,449</b>	<b>74,207</b>	<b>66,943</b>	<b>-</b>	<b>6,894,074</b>	<b>250</b>	<b>7,736,923</b>
<b>Fund Balances</b>							
Nonspendable	-	-	26,688	-	-	-	26,688
<b>Restricted for:</b>							
Unemployment	64,257	-	-	-	-	-	64,257
Retirement contributions - ERS/TRS	598,140	-	-	-	-	-	598,140
Employment benefits accrued liability	50,906	-	-	-	-	-	50,906
Debt	-	-	-	159,826	-	-	159,826
Capital	100,000	-	-	-	-	-	100,000
Assigned	1,540,035	-	-	-	-	88,728	1,628,763
Unassigned	1,483,838	-	(43,488)	-	(3,336,058)	-	(1,895,708)
<b>Total Fund Balances</b>	<b>3,837,176</b>	<b>-</b>	<b>(16,800)</b>	<b>159,826</b>	<b>(3,336,058)</b>	<b>88,728</b>	<b>732,872</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,538,625</b>	<b>\$ 74,207</b>	<b>\$ 50,143</b>	<b>\$ 159,826</b>	<b>\$ 3,558,016</b>	<b>\$ 88,978</b>	<b>\$ 8,469,795</b>

**Alexandria Central School District**  
**Reconciliation of Governmental Funds**  
**Balance Sheet to the Statement of Net Position**  
**June 30, 2023**

Statement #3A

	Total Governmental Funds	Long-Term Assets & Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
<b>Assets</b>				
Cash				
Unrestricted	\$ 5,102,296	\$ -	\$ -	\$ 5,102,296
Restricted	913,989	-	-	913,989
Receivables				
Accounts receivable	22,826	-	-	22,826
State and federal aid	306,206	-	-	306,206
Due from other funds	1,876,624	-	(1,876,624)	-
Due from other governments	203,486	-	-	203,486
Prepays	17,680	-	-	17,680
Inventories	26,688	-	-	26,688
Capital assets (net)	-	20,999,711	-	20,999,711
Right-to-use assets, net	-	223,224	-	223,224
Net pension asset - proportionate share	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 8,469,795</u></b>	<b><u>\$ 21,222,935</u></b>	<b><u>\$ (1,876,624)</u></b>	<b><u>\$ 27,816,106</u></b>
<b>Deferred Outflows of Resources</b>				
Pensions	\$ -	\$ 3,569,786	\$ -	\$ 3,569,786
Other postemployment benefits	-	14,088,710	-	14,088,710
Deferred charges - bond refunding	-	2,393	-	2,393
<b>Total Deferred Outflows of Resources</b>	<b><u>\$ -</u></b>	<b><u>\$ 17,660,889</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 17,660,889</u></b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b><u>\$ 8,469,795</u></b>	<b><u>\$ 38,883,824</u></b>	<b><u>\$ (1,876,624)</u></b>	<b><u>\$ 45,476,995</u></b>
<b>Liabilities</b>				
Payables				
Accounts payable	\$ 409,854	\$ -	\$ -	\$ 409,854
Retainage payable	239,871	-	-	239,871
Accrued liabilities	39,105	-	-	39,105
Accrued interest	-	18,538	-	18,538
Due to other funds	1,876,624	-	(1,876,624)	-
Due to other governments	594	-	-	594
Due to teachers' retirement system	516,825	-	-	516,825
Due to employees' retirement system	93,478	-	-	93,478
Notes payable				
Bond anticipation	4,550,000	-	-	4,550,000
Unearned credits				
Unearned revenues	10,572	-	-	10,572
Bonds payable, net	-	5,336,337	-	5,336,337
Installment purchase debt payable	-	-	-	-
Compensated absences payable	-	69,423	-	69,423
Other postemployment benefits payable	-	49,012,722	-	49,012,722
Net pension liability - proportionate share	-	1,448,917	-	1,448,917
<b>Total Liabilities</b>	<b><u>\$ 7,736,923</u></b>	<b><u>\$ 55,885,937</u></b>	<b><u>\$ (1,876,624)</u></b>	<b><u>\$ 61,746,236</u></b>

See Notes to Financial Statements.

**Alexandria Central School District**  
**Reconciliation of Governmental Funds**  
**Balance Sheet to the Statement of Net Position**  
**June 30, 2023**

Statement #3A

	Total Governmental Funds	Long-Term Assets & Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
<b>Deferred Inflows of Resources</b>				
Pensions	\$ -	\$ 358,869	\$ -	\$ 358,869
OPEB	<u>-</u>	<u>14,819,043</u>	<u>-</u>	<u>14,819,043</u>
Total Deferred Inflows of Resources	<u>\$ -</u>	<u>\$ 15,177,912</u>	<u>\$ -</u>	<u>\$ 15,177,912</u>
<b>Total Fund Balance/Net Position</b>				
Total Fund Balances / Net Position	<u>\$ 732,872</u>	<u>\$ (32,180,025)</u>	<u>\$ -</u>	<u>\$ (31,447,153)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances / Net Position	<u>\$ 8,469,795</u>	<u>\$ 38,883,824</u>	<u>\$ (1,876,624)</u>	<u>\$ 45,476,995</u>

See Notes to Financial Statements.

Alexandria Central School District  
**Statement of Revenues, Expenditures, and Changes  
in Fund Balances - Governmental Funds  
For the Year Ended June 30, 2023**

Statement #4

	General	Special Aid	School Food Service	Debt Service	Capital Projects	Miscellaneous Special Revenue	Total Governmental Funds
<b>Revenues</b>							
Real property taxes	\$ 7,827,931	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,827,931
Other tax items	350,621	-	-	-	-	-	350,621
Charges for services	34,317	-	-	-	-	-	34,317
Use of money and property	175,782	-	38	5,006	37,459	154	218,439
Sale of property and compensation for loss	68,326	-	-	-	-	-	68,326
Miscellaneous	701,135	6,380	7,570	-	-	132,825	847,910
State sources	5,345,253	80,057	15,441	-	25,874	-	5,466,625
Federal sources	23,384	757,359	215,267	-	-	-	996,010
Medicaid	6,876	-	-	-	-	-	6,876
Surplus food	-	-	7,382	-	-	-	7,382
Sales - school lunch	-	-	34,544	-	-	-	34,544
<b>Total Revenues</b>	<b>\$ 14,533,625</b>	<b>\$ 843,796</b>	<b>\$ 280,242</b>	<b>\$ 5,006</b>	<b>\$ 63,333</b>	<b>\$ 132,979</b>	<b>\$ 15,858,981</b>
<b>Expenditures</b>							
General support	\$ 2,432,590	\$ -	\$ 224,553	\$ -	\$ -	\$ 103,337	\$ 2,760,480
Instruction	5,675,090	836,005	-	-	-	-	6,511,095
Pupil transportation	1,168,955	-	-	-	-	-	1,168,955
Employee benefits	3,527,980	14,610	106,090	-	-	-	3,648,680
Debt service							
Principal	757,770	-	-	-	-	-	757,770
Interest	231,146	-	-	-	-	-	231,146
Cost of sales	-	-	186,221	-	-	-	186,221
Capital outlay	-	-	-	-	5,350,154	-	5,350,154
<b>Total Expenditures</b>	<b>\$ 13,793,531</b>	<b>\$ 850,615</b>	<b>\$ 516,864</b>	<b>\$ -</b>	<b>\$ 5,350,154</b>	<b>\$ 103,337</b>	<b>\$ 20,614,501</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 740,094	\$ (6,819)	\$ (236,622)	\$ 5,006	\$ (5,286,821)	\$ 29,642	\$ (4,755,520)
<b>Other Financing Sources and Uses</b>							
Issuance of serial bonds	\$ -	\$ -	\$ -	\$ -	\$ 315,000	\$ -	\$ 315,000
Premium on issuance of bonds	-	-	-	59,140	-	-	59,140
Operating transfers in	100,000	6,819	200,000	-	441,544	-	748,363
Operating transfers (out)	(648,363)	-	-	(100,000)	-	-	(748,363)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (548,363)</b>	<b>\$ 6,819</b>	<b>\$ 200,000</b>	<b>\$ (40,860)</b>	<b>\$ 756,544</b>	<b>\$ -</b>	<b>\$ 374,140</b>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Sources (Uses)	\$ 191,731	\$ -	\$ (36,622)	\$ (35,854)	\$ (4,530,277)	\$ 29,642	\$ (4,381,380)
Fund Balance - Beginning of year	3,645,445	-	19,822	195,680	1,194,219	59,086	5,114,252
Fund Balance - End of year	\$ 3,837,176	\$ -	\$ (16,800)	\$ 159,826	\$ (3,336,058)	\$ 88,728	\$ 732,872

**Alexandria Central School District**  
**Reconciliation of Governmental Funds Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**to the Statement of Activities**  
**For the Year Ended June 30, 2023**

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

**Net Change in Fund Balances - Total Governmental Funds** **\$ (4,381,380)**

Capital Related Items

Governmental funds report capital outlays as expenditures. However, in the Statement of assets with an initial, individual cost of more than \$5,000 (\$2,500 for cafeteria equipment) are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period, net of related losses on disposal of capital assets.

Capital outlays	\$ 5,321,990	
Depreciation expense	(709,320)	
Right-to-use asset	65,822	
Right-to-use asset depreciation expense	(85,654)	
Gain (loss) on disposal	(54,612)	
Additions to assets	<u>286,304</u>	4,824,530

Long-Term Debt Transactions

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statements of Net Position. This is the amount of debt repayments made in the current period. 757,770

Proceeds of long-term debt is recorded as an other financing source for governmental funds, but it is not recorded in the Statement of Activities. This is the amount of proceeds from long-term debt received in the current year. (315,000)

(Increases) decreases in accrued compensated absences reported in the Statement of Activities do not provide for or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds. 12,060

On the Statement of Activities, the actual and projected long term expenditures for benefits are reported, whereas, on the governmental funds only the actual expenditures are recorded for postemployment benefits. 9,388,614

(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 expenditures in the governmental funds.

Teachers' Retirement System	(76,326)	
Employees' Retirement System	<u>(138,217)</u>	(214,543)

Deferred bond refunding costs are recognized as expenditures in the governmental funds, however, amortized over the shorter of the life of the new or old bonds in the Statement of Activities. This is the amount of these deferred outflows that are amortized as an increase in debt service - interest in the period. (4,235)

**Alexandria Central School District**  
**Reconciliation of Governmental Funds Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**to the Statement of Activities**  
**For the Year Ended June 30, 2023**

Statement #4A

Proceeds from bond premiums are reported in governmental funds as revenues, however, in the Statement of Activities, the unearned revenue is allocated over the life of the bonds as a reduction of interest expense. This is the amount that the current year premiums received exceeds the amortization in the period.

3,455

(Increases) decreases in accrued interest payable reported in the Statement of Activities do not provide for or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.

(5,893)

**Changes in Net Position of Governmental Activities**

\$ 10,065,378

**Alexandria Central School District**  
**Notes to Financial Statements**  
**June 30, 2023**

**1 – Summary of significant accounting policies**

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

A. Reporting Entity:

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

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

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

i. Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found at the District’s business office. The District accounts for assets held as an agent for various student organizations in a miscellaneous special revenue fund.



**Alexandria Central School District**  
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**B. Joint Venture:**

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

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

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

During the year, the District was billed \$1,437,960 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$364,857. This represents state aid distributions of \$303,491 and 2022 fund balance returned to schools of \$61,366.

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

**C. Basis of Presentation:**

**i. 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. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

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

ii. Funds Statements:

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

The District reports the following major governmental funds:

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

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 and school store operations 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. The Special Revenue Funds classified as major are:

Special Aid Fund: Used to account for special operating projects or programs supported in whole, or in part, with Federal Funds or State of Local grants.

School Food Service Fund: Used to account for transactions of the lunch and breakfast programs.

Capital Projects Funds: These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. For these funds, each capital project is assessed to determine whether it is a major or non-major fund. Those capital projects that are determined to be major are reported in separate columns in the financial statements. Those that are determined to be non-major are reported in the supplemental schedules either separately or in the aggregate.

Debt Service Fund: This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities. When a capital asset is sold and all or a portion of the bonds used to finance the capital assets are outstanding, this fund must be used to account for the proceeds from the sale of capital assets up to the balance of related bonds outstanding.

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Miscellaneous Special Revenue Funds: These funds are used to account for transactions of activities for which the District has administrative control, but the activities are not part of the District's operations. Included in the miscellaneous special revenue funds are the extraclassroom activity funds and the scholarship funds.

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

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

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, State Aid, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from State Aid is recognized in the fiscal year it is apportioned to the State. 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. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year except for property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year as it matches the liquidation of related obligations.

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

**E. Property Taxes:**

Real property taxes are levied annually by the Board of Education no later than September 1, 2022 and become a lien on July 26, 2022. Taxes are collected during the period September 1, 2022 to October 31, 2022.

Uncollected real property taxes are subsequently enforced by Jefferson and St. Lawrence Counties. The Counties pay an amount representing uncollected real property taxes transmitted to the Counties for enforcement to the District no later than the following April 1.

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F. Restricted Resources:

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

G. Interfund Transactions:

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

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

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

Refer to Note 11 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

H. Estimates:

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

I. Cash and Investments:

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

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

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

**J. Accounts Receivable:**

Accounts receivable are shown net of an allowance for uncollectible accounts, when applicable. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

**K. Inventories and Prepaid Items:**

Inventories of food in the School Food Service Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value that approximates market. Purchases of inventory items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount.

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

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

**L. Other Assets:**

In the district-wide financial statements, bond discounts and premiums, and any prepaid bond insurance costs are deferred and amortized over the life of the debt issue. Bond issuance costs are recognized as an expense in the period incurred.

**M. Capital Assets:**

Capital assets are reported at actual cost or estimated historical cost. Donated assets are reported at estimated fair market value at the time received.



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Land and construction in process are not depreciated. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	<u>Capitalization</u> <u>Threshold</u>	<u>Depreciation</u> <u>Method</u>	<u>Estimated</u> <u>Useful Life</u>
Buildings	\$ 25,000	SL	50 years
Building improvements	25,000	SL	50 years
Furniture and equipment	5,000	SL	5-8 years
Vehicles	5,000	SL	5-8 years
Cafeteria equipment	2,500	SL	5-8 years

The School District does not possess any infrastructure.

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 District has four items that qualify for reporting in this category. First is the deferred charge on bond refunding reported in the government-wide Statement of Net Position. A deferred charge on bond refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second 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 proportionate share of total contributions to the pension systems not included in pension expense. The third item is the District contributions to the pension systems (TRS and ERS Systems) and other postemployment benefits (OPEB) subsequent to the measurement date. The fourth item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

In addition to liabilities, the Statement of Net Position or Balance Sheet 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 or fund balance 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 proportionate share of total contributions to the pension systems not included in pension expense. The second item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

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O. Unearned Credits:

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

P. Vested Employee Benefits:

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. Some earned benefits may be forfeited if not taken within varying time periods.

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

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.

Q. Other Benefits:

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

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

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District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Sections 403(b) and 457.

**R. Short-Term Debt:**

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

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

The District may issue Bond Anticipation Notes (BAN) in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. Such notes may be classified as part of the General Long-Term Debt Account Group when (1) the intention is to refinance the debt on a long-term basis and (2) the intention can be substantiated through a post balance sheet issuance of long-term debt or by an acceptable financing agreement. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

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

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

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

**T. Equity Classifications:**

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



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

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

**Unrestricted net position** – reports the balance of net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the District.

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

**Non-spendable** – 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 inventory recorded in the School Food Service Fund of \$26,688.

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

Debt Service Reserve Fund

According to General Municipal Law §6-1, the Mandatory Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of District property or capital improvement. This reserve is accounted for in the Debt Service Fund.

Employee Benefit Accrued Liability Reserve Fund

According to General Municipal Law §6-p, expenditures made from the Employee Benefit Accrued Liability Reserve Fund must be used for the payment of accrued employee benefit due 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. This reserve is accounted for in the General Fund.

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Retirement Contributions Reserve Fund

According to General Municipal Law §6-r, all expenditures made from the Retirement Contributions Reserve Fund must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This reserve is established by Board resolution and is funded by budgetary appropriation and such other reserve and funds that may be legally appropriated. 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. This reserve is accounted for in the General Fund. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r.

Unemployment Insurance Payment Reserve Fund

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

Capital Reserve Fund

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

Encumbrances

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

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Restricted fund balance includes the following:

General Fund:

Unemployment insurance	\$ 64,257
Retirement contributions - NYSERS	431,781
Retirement contributions - NYSTRS	166,359
Employment benefit accrued liability	50,906
Capital reserve	100,000
Debt service fund	159,826
	<u>\$ 973,129</u>

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

**Assigned** – Includes amounts that are constrained by the District’s intent to be used for specific purposes, but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year’s budget, as well as encumbrances not classified as restricted at the end of the fiscal year. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. Encumbrances reported in the General Fund amounted to \$80,076. Appropriated fund balance in the General Fund amounted to \$1,459,959. Any remaining fund balance in other funds is considered assigned. The Miscellaneous Special Revenue Fund reported assigned fund balance of \$88,728. As of June 30, 2023, the District’s General Fund encumbrances were classified as follows:

General support	\$ 55,514
Instruction	15,692
Pupil transportation	<u>8,870</u>
Total	<u>\$ 80,076</u>

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

Unassigned Fund Balance

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds, excluding the reserve for tax reduction, a school district can retain to no more than 4% of the District’s budget for the General Fund for the ensuing fiscal year. Non-spendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts

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appropriated for the subsequent year, encumbrances and amounts reserved for insurance recoveries are also excluded from the 4% limitation.

Net Position/Fund Balance

Net Position Flow Assumption: Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the district-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

Fund Balance Flow Assumption: Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

Order of Use of Fund Balance:

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

U. Implementation of New Accounting Standards:

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

GASB has issued Statement No. 91, *Conduit Debt Obligations*, effective for the year ending June 30, 2023.

GASB has issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the year ending June 30, 2023.

GASB has issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for the year ending June 30, 2023.

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**2 – Explanation of certain differences between 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 basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the district-wide statements, compared with the current financial resources focus 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 long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheet, as applied to the reporting of capital assets and long-term liabilities, including pensions and other post-employments benefits.

B) Statement of Revenues, Expenditures and Changes in Fund Balances vs. Statement of Activities:

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

i. Long-term revenue and expense 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.

ii. Capital related differences:

Capital related differences include the difference between proceeds for the sale of capital assets reported on 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 fund statements and depreciation expense on those items as recorded in the Statement of Activities.

iii. Long-term debt transaction differences:

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

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iv. 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.

v. OPEB differences:

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.

**3 – Stewardship, compliance and accountability**

Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the following governmental fund for which legal (appropriated) budgets are adopted:

The voters of the District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line-item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. The following supplemental appropriations occurred during the year:

Capital Reserve Transfer	\$ 341,370
Flooring Repair	38,850
Hammond Spec Ed	<u>109,319</u>
Total	<u>\$ 489,539</u>

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

The General Fund is the only fund with a legally adopted budget for the fiscal year ended June 30, 2023.



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

Encumbrances

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

The portion of the District’s fund balance subject to the New York State Real Property Tax Law §1318 limit exceeded the amount allowable, which is 4% of the District’s budget for the upcoming school year. Actions the District plans to pursue to address this issue include funding appropriate reserves and appropriating fund balance for tax reduction.

The Capital Projects Fund had a deficit fund balance of \$3,336,058. This will be funded when the District obtains permanent financing for its current construction project.

The School Food Service Fund had a deficit fund balance of \$16,800. This will be funded with additional transfers from the General Fund and increased anticipated revenue from the Community Eligibility Program and the Universal Free Meal Program in 2023-2024.

**4 – Cash (and cash equivalents) – custodial credit, concentration of credit, interest rate, and foreign currency risks**

Cash and Investments

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

Uncollateralized	<u>\$ -</u>
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	<u>\$ 2,164,443</u>

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$813,303 restricted for various fund balance reserves in the General Fund and \$159,826 restricted for Debt Service Fund.



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Deposits

Deposits are valued at cost- or cost-plus interest and are categorized as either (1) insured, or for which the securities are held by the District's agent in the District's name, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the District's name, or (3) uncollateralized. At June 30, 2023 all deposits were fully insured and collateralized by the District's agent but not in the District's name.

Investment and Deposit Policy

The District follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with Federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Business Administrator of the District.

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The District's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The District's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts.
- Certificates of deposit.
- Obligations of the United States Treasury and United States agencies.
- Obligations of New York State and its localities.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the District's investment and deposit policy, all deposits of the District including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits. The District restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.

**Alexandria Central School District**  
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Investment Pool

The District participates in the Cooperative Liquid Assets Security System – New York (NYCLASS), a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 3-A and 5-G, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents. All NYCLASS investment and collateral policies are in accordance with General Municipal Law, Sections 10 and 11.

Total investments of the cooperative at June 30, 2023 are \$8,463,692,945, which consisted of \$2,529,797,821 in repurchase agreements, \$4,872,548,028 in U.S. Treasury Securities, and \$1,061,347,096 in collateralized bank deposits, with various interest rate and due dates.

The amount of \$3,507,018 on deposit with NYCLASS is included as cash in the financial statements.

The above amounts represent fair value of the investment pool shares. The Lead Participant of NYCLASS is the Village of Potsdam. Additional information concerning NYCLASS, including the annual report, can be found on its website at [www.newyorkclass.org](http://www.newyorkclass.org).

The following amounts are included as unrestricted and restricted cash:

<u>Fund</u>	<u>Balance</u>
General	\$ 2,286,958
Capital	1,061,676
Debt Service	100,686
Special Revenue Fund	56,616
Food Service Fund	1,082
	<u>\$ 3,507,018</u>

**Alexandria Central School District**  
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**5 – Capital assets**

Capital asset balances and activity were as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending</u> <u>Balance</u>
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 54,825	\$ -	\$ -	\$ 54,825
Construction in progress	<u>509,991</u>	<u>5,234,910</u>	<u>-</u>	<u>5,744,901</u>
Total nondepreciable	<u>564,816</u>	<u>5,234,910</u>	<u>-</u>	<u>5,799,726</u>
Capital assets being depreciated:				
Buildings and improvements	21,303,158	-	-	21,303,158
Furniture and equipment	530,525	24,216	-	554,741
Vehicles	<u>1,866,514</u>	<u>349,168</u>	<u>(247,902)</u>	<u>1,967,780</u>
Total depreciated assets	<u>23,700,197</u>	<u>373,384</u>	<u>(247,902)</u>	<u>23,825,679</u>
Less accumulated depreciation for:				
Buildings and improvements	(7,026,003)	(426,063)	-	(7,452,066)
Furniture and equipment	(212,344)	(59,108)	-	(271,452)
Vehicles	<u>(871,317)</u>	<u>(224,149)</u>	<u>193,290</u>	<u>(902,176)</u>
Total accumulated depreciation	<u>(8,109,664)</u>	<u>(709,320)</u>	<u>193,290</u>	<u>(8,625,694)</u>
Total depreciated assets, net	<u>15,590,533</u>	<u>(335,936)</u>	<u>(54,612)</u>	<u>15,199,985</u>
Total capital assets balances, net	<u>\$ 16,155,349</u>	<u>\$ 4,898,974</u>	<u>\$ (54,612)</u>	<u>\$ 20,999,711</u>
Pupil transportation	\$ 229,660			
General support	46,831			
Instruction	422,906			
School food service program	<u>9,923</u>			
	<u>\$ 709,320</u>			

**6 – Right-to-use Assets**

The District is in possession of assets that it paid for the right-to-use over a period of time. All of the assets under the right-to-use agreement were paid for during the past five years, in full, during the year the right-to-use agreement began for a particular asset. The amount is amortized over five years, the number of years each asset item is to be used under the right-to-use agreement. A summary of the assets purchased by year, less accumulated amortization, is summarized as follows:

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Fiscal year obtained	Cost	Prior Amortization	Current Amortization	Total Amortization	Net
06/30/18	\$ 116,084	\$ 92,867	\$ 23,217	\$ 116,084	\$ -
06/30/19	66,735	40,041	13,347	53,388	13,347
06/30/20	100,050	40,020	20,010	60,030	40,020
06/30/21	61,430	12,286	12,286	24,572	36,858
06/30/22	83,971	-	16,794	16,794	67,177
06/30/23	65,822	-	-	-	65,822
	<u>\$ 494,092</u>	<u>\$ 185,214</u>	<u>\$ 85,654</u>	<u>\$ 270,868</u>	<u>\$ 223,224</u>

**7 – Short-term debt**

Transactions in short-term debt for the year ended June 30, 2023 are summarized below:

	Maturity	Stated Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
BAN	6/29/2023	3.00%	\$2,519,919	\$ -	\$(2,519,919)	\$ -
BAN	6/28/2024	4.75%	-	4,550,000	-	4,550,000
			<u>\$2,519,919</u>	<u>\$4,550,000</u>	<u>\$(2,519,919)</u>	<u>\$4,550,000</u>

Interest on short-term debt for the year was composed of:

Interest paid	\$ 75,000
Less: interest accrued in the prior year	(414)
Plus: interest accrued in the current year	1,776
Less: BAN premium recognized	<u>(59,140)</u>
Total interest on short-term debt	<u>\$ 17,222</u>

**8 – Long-term debt obligations**

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

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

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Serial Bonds

The District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the local government. The provisions will be in the General Fund's future budgets for capital indebtedness.

Noncurrent liability balances and activity are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Long-Term Liabilities:					
Serial bonds	\$ 5,743,000	\$ 315,000	\$ (738,000)	\$ 5,320,000	\$ 815,000
Premium on bonds	19,792	-	(3,455)	16,337	2,008
Installment purchase debt	<u>19,770</u>	<u>-</u>	<u>(19,770)</u>	<u>-</u>	<u>-</u>
Total Long-Term Liabilities	<u>5,782,562</u>	<u>315,000</u>	<u>(761,225)</u>	<u>5,336,337</u>	<u>817,008</u>
Other Long-Term Liabilities:					
Compensated absences	81,483	-	(12,060)	69,423	-
Other postemployment benefits obligation	63,281,678	-	(14,268,956)	49,012,722	-
Net pension liability - proportionate share	<u>-</u>	<u>1,448,917</u>	<u>-</u>	<u>1,448,917</u>	<u>-</u>
	<u>63,363,161</u>	<u>1,448,917</u>	<u>(14,281,016)</u>	<u>50,531,062</u>	<u>-</u>
	<u>\$ 69,145,723</u>	<u>\$ 1,763,917</u>	<u>\$ (15,042,241)</u>	<u>\$ 55,867,399</u>	<u>\$ 817,008</u>

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

Bonds payable is comprised of the following:

<u>Description</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance</u>
2016 Serial Bonds	05/03/16	10/01/23	1.00-2.00%	\$ 200,000
2018 Serial Bonds	06/28/18	06/15/33	3.00-3.25%	4,290,000
2022-23 Buses	08/17/22	08/15/27	3.25%	315,000
2021-22 Buses	08/19/21	08/15/26	0.50-1.540%	240,000
2020-21 Buses	09/15/20	08/15/26	0.60-1.00%	170,000
2019-20 Buses	08/15/19	08/15/24	1.10%	<u>105,000</u>
				<u>\$ 5,320,000</u>

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The following is a summary of debt service requirements for bonds payable:

<u>Fiscal year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 815,000	\$ 151,963	\$ 966,963
2025	635,000	129,062	764,062
2026	600,000	113,015	713,015
2027	555,000	97,331	652,331
2028	515,000	81,775	596,775
2029-2033	<u>2,200,000</u>	<u>192,850</u>	<u>2,392,850</u>
Total	<u>\$ 5,320,000</u>	<u>\$ 765,996</u>	<u>\$ 6,085,996</u>

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

Interest paid	\$ 156,146
Less: interest accrued in the prior year	(10,869)
Plus: interest accrued in the current year	16,762
Plus: bond refunding recognized	2,873
Less: bond premium recognized	<u>(3,455)</u>
Total interest on long-term debt	<u>\$ 161,457</u>

The energy performance contract is carried in fixed assets at a cost of \$813,531 with accumulated depreciation of \$268,465 resulting in a net book value of \$545,066.

## **9 – Pension plans**

General information:

The District participates in the New York State 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.

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Plan Descriptions and Benefits Provided:

Teachers' Retirement System (TRS)

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

Employees' Retirement System (ERS)

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. 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. System benefits are established under the provisions of the New York State Retirement and Social Security Law (NYSRSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, NYSERS, 110 State Street, Albany, New York 12244.

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% 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 for the ERS' fiscal year ended March



**Alexandria Central School District**  
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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 and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	<u>TRS</u>	<u>ERS</u>
2022-2023	\$ 457,325	\$ 143,950
2021-2022	394,394	192,260
2020-2021	382,509	177,895

The District contributions made the Systems were equal to 100 percent of the contributions for each year. ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57, and 105.

Pension Assets, Liabilities, Pension Expense (Credit), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

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

	<u>TRS</u>	<u>ERS</u>
Actuarial valuation date	June 30, 2021	April 1, 2022
Net pension asset/(liability)	\$ (446,945)	\$ (1,001,972)
District's portion of the Plan's total net pension asset/(liability)	0.023292%	0.0046725%

For the year ended June 30, 2023, the District recognized its proportionate share of pension expense (credit) of \$445,020 for TRS and \$206,248 for ERS. At June 30, 2023 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources		Deferred Inflows of Resources	
	TRS	ERS	TRS	ERS
Differences between expected and actual experience	\$ 468,342	\$ 106,718	\$ 8,956	\$ 28,139
Changes of assumptions	866,998	486,622	180,042	5,378
Net difference between projected and actual earnings on pension plan investments	577,496	-	-	5,887
Changes in proportion and differences between the District's contributions and proportionate share of contributions	83,620	25,124	112,333	18,134
District's contributions subsequent to the measurement date	<u>861,388</u>	<u>93,478</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,857,844</u>	<u>\$ 711,942</u>	<u>\$ 301,331</u>	<u>\$ 57,538</u>

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2024 for ERS and June 30, 2023 for TRS. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u>	<u>TRS</u>	<u>ERS</u>
2023	\$ 331,960	\$ -
2024	156,933	133,424
2025	(67,272)	(52,748)
2026	1,132,856	207,064
2027	139,813	273,185
Thereafter	832	-

**Actuarial Assumptions:**

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

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

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

For ERS, the actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

The long-term 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* and generally accepted accounting principles. 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.

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

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<u>TRS</u>	<u>Target Allocation</u>	<u>Long-term expected</u>
	<u>2022</u>	<u>Real rate of return*</u>
Asset Type		<u>2022</u>
Domestic equities	33%	6.50%
International equities	16%	7.20%
Global equities	4%	6.90%
Real estate equities	11%	6.20%
Private equities	8%	9.90%
Domestic fixed income securities	16%	1.10%
Global bonds	2%	0.60%
Private debt	2%	5.30%
Real estate debt	6%	2.40%
High-yield bonds	1%	3.30%
Cash equivalents	<u>1%</u>	<u>-0.30%</u>
Total	100%	

\*Real rates of returns are net of the long-term inflation assumption of 2.4% for 2022.

<u>ERS</u>	<u>Target Allocation</u>	<u>Long-term expected</u>
	<u>2023</u>	<u>Real rate of return*</u>
Asset Type		<u>2023</u>
Domestic equities	32%	4.30%
International equities	15%	6.85%
Private equities	10%	7.50%
Real estate equities	9%	4.60%
Absolute return strategies (1)	3%	5.38%
Credit	4%	5.43%
Real assets	3%	5.84%
Fixed income	23%	1.50%
Cash	<u>1%</u>	0.00%
Total	100%	

\* Real rates of returns are net of the long-term inflation assumption of 2.5% for 2023.

(1) Excludes equity-oriented and long-only funds. For investment management purposes, these funds are included in domestic equities and international equities, respectively.

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Discount Rate:

The discount rate used to calculate the total pension liability was 6.95% for TRS and 5.9% for ERS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon 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 asset (liability).

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

The following presents the District’s proportionate share of the net pension asset/(liability) was calculated using the discount rate of 6.95% for TRS and 5.9% for ERS, 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 percentage point lower (5.95% for TRS and 4.9% for ERS) or 1 percentage point higher (7.95% for TRS and 6.9% for ERS) than the current rate:

	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
<u>TRS</u>			
Employers' proportionate share of the net pension asset (liability)	\$ (4,124,044)	\$ (446,945)	\$ 2,642,948
	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
<u>ERS</u>			
Employers' proportionate share of the net pension asset (liability)	\$ (2,421,337)	\$ (1,001,972)	\$ 184,072

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Pension Plan Fiduciary Net Position:

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

Valuation date	<u>TRS</u> June 30, 2022	<u>ERS</u> March 31, 2023
	(Dollars in Thousands)	
Employers' total pension liability	\$ 133,883,474	\$ 232,627,259
Plan fiduciary net position	<u>131,964,582</u>	<u>211,183,223</u>
Employers' net pension asset/(liability)	<u>\$ (1,918,892)</u>	<u>\$ (21,444,036)</u>
Ratio of plan fiduciary net position to the employers' total pension liability	98.6%	90.78%

Changes of assumptions

Changes of assumptions about future economic or demographic factors or other inputs are amortized over a closed period equal to the average of the expected service lives of all employees that are provided with benefits.

*Collective Pension Expense*

Collective pension expense includes certain current period changes in the collective net pension asset/(liability), projected earnings on pension plan investments, and the amortization of deferred outflows of resources for the current period. The collective pension expense (credit) for the year ended June 30, 2023 is \$565,994 for TRS and \$347,277 for ERS.

Payables to the Pension Plan:

For TRS, employer and employee contributions for the fiscal year ended June 30, 2023 are paid to the System in September, October and November 2023 through a state aid intercept. Accrued retirement contributions as of June 30, 2023 represent employee and employer contributions for the fiscal year ended June 30, 2023 based on paid TRS covered wages multiplied by the employer’s contribution rate, by tier, and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2023 amounted to \$516,825.

For ERS, employer contributions are paid annually based on the System’s fiscal year, which ends on March 31<sup>st</sup>. Accrued retirement contributions as of June 30, 2023 represent the projected employer contribution for the period of April 1, 2023 through June 30, 2023 based on paid ERS wages multiplied by the employer’s contribution rate, by tier. Accrued retirement contributions as of June 30, 2023 amounted to \$93,478.

**Alexandria Central School District**  
**Notes to Financial Statements**  
**June 30, 2023**

**10 – Unrestricted Net Position**

Unrestricted net position in the general fund consists of the following at June 30, 2023:

Designated for subsequent years' expenditures	\$ 1,459,959
Reserve for encumbrances	80,076
Unreserved	<u>1,483,838</u>
Total unrestricted net position general fund	<u>\$ 3,023,873</u>

**11 – Interfund transactions – governmental funds**

Interfund receivables and payables, other than between governmental activities and fiduciary funds, 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 issued. All interfund payables are expected to be repaid within one year.

Interfund transactions and balances are as follows:

	Interfund			
	Receivable	Payable	Revenues	Expenditures
General	\$ 1,801,180	\$ 21,519	\$ 100,000	\$ 648,363
School food service	-	55,963	200,000	-
Special aid	13,804	65,447	6,819	-
Debt service	59,140	-	-	100,000
Special Revenue	2,500	-	-	-
Capital projects	-	1,733,695	441,544	-
Total Governmental Funds	<u>\$ 1,876,624</u>	<u>\$ 1,876,624</u>	<u>\$ 748,363</u>	<u>\$ 748,363</u>

During 2022-2023, the General Fund transferred \$6,819 to the Special Aid Fund for the District's share of the special education summer school programs its students attended.

**12 – Risk management**

General

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



**Alexandria Central School District**  
**Notes to Financial Statements**  
**June 30, 2023**

Self-insured Plans

Workers' Compensation Insurance

The District participates in the Black River Valley Schools Workers' Compensation Plan, a risk-sharing pool, to insure Workers' Compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law to finance liability and risks related to Workers' Compensation claims. The District's share of the liability for unbilled and open claims is \$0.

Other Insurance Coverage

The District participates in the Jefferson-Lewis Et. Al. School Employees' Healthcare Plan, a non-risk-retained public entity risk pool for its employee health and accident insurance coverage. The pool is operated for the benefit of 16 individual governmental units located within the pool's geographic area, and is considered a self-sustaining risk pool that will provide coverage for its members up to \$750,000 per insured event. The pool obtains independent coverage for insured events in excess of the \$750,000 limit, and the District has essentially transferred all related risk to the pool.

**13 – Commitments and contingencies**

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

The District has signed contracts for a gym renovation project. The total anticipated cost of this project is \$6,550,000, of which \$5,428,449 has been expended through the end of this fiscal year.

**14 – Postemployment Benefit Obligation Payable**

*Plan Description*

The District administers a defined benefit OPEB plan provides OPEB for all permanent full-time general employees of the District. The plan is a single-employer defined benefit OPEB plan (the Plan) administered by Article 11 of the State Compiled Statutes which grants the authority to establish and amend the benefit terms and financing requirements to the District's Board, subject to applicable collective bargaining and employment agreements, and Board of Education policy. The Plan does not issue a separate financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

*Funding Policy*

The obligations of the Plan members and employers are established by action of the District pursuant to applicable collective bargaining and other employment contracts. Employees

**Alexandria Central School District**  
**Notes to Financial Statements**  
**June 30, 2023**

contribute varying percentages of the premiums, depending on when retired and their applicable agreement. Employers are required to reach age 55 and have 10 to 15 years of service to qualify for other post-employment benefits. The District currently funds the Plan to satisfy current obligations on a pay-as-you-go basis. During the year ended June 30, 2023, approximately \$1,241,850 was paid on behalf of 93 retirees.

*Benefits Provided*

The District provides for continuation of medical and/or Medicare Part B benefits for certain retirees and their spouses. The benefit terms are dependent on which contract each employee falls under. Retirees and their spouses receive benefits for the lifetime of the retired employee. The specifics of each contract are on file at the District offices and are available upon request.

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

Inactive employees/beneficiaries currently receiving benefit payments	93
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>70</u>
	<u>163</u>

*Net OPEB Liability*

The District’s total OPEB liability measured as of June 30, 2022; the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022.

*Actuarial Assumptions and Other Inputs*

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

Inflation	Based on CPI
Salary increase	Varied by years of service and retirement system
Discount rate	3.77%
Healthcare Cost Trend Rates:	
Medical	7.00% for 2024 decrease to an ultimate rate of 4.50% by 2034
Part B Reimbursement	7.00% for 2024 decrease to an ultimate rate of 4.50% by 2034

The mortality tables used for this valuation is based on the Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables

**Alexandria Central School District**  
**Notes to Financial Statements**  
**June 30, 2023**

using Employee and Healthy Annuitant Tables for both pre-and post-retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2021.

Retirement participation rate assumed that 90% of the eligible Teachers, Instructional Administrators, and participants other than Teachers and Instructional Administrators will elect medical coverage at retirement age, and 50% of active member's spouses will elect medical coverage. Additionally, a tiered approach based on age and years of service was used to determine retirement rate assumption.

Termination rates are based on tables used by the New York State Teachers' Retirement System and the New York State and Local Retirement System for female employees. Rates are tiered based on the percentage of employees who will terminate employment at any given age each year, for reasons other than death or retirement.

The discount rate is based on the prescribed discount interest rate methodology under GASB No. 75 using an average of three 20-year bond indices (e.g., Bond Buyer -20 Bond GO – 2.21%, S & P Municipal Bond 20 Year High Grade Rate Index – 2.66%, and Fidelity GA AA 20 Years - 2.45%) as of June 30, 2021 and rounded to the nearest 0.01%.

*Changes in the Total OPEB Liability*

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Total OPEB Liability (a)
Balance at June 30, 2022	\$ 63,281,678	\$ -	\$ 63,281,678
<u>Changes for the year:</u>			
Service cost	1,018,032	-	1,018,032
Interest	2,359,873	-	2,359,873
Changes in assumptions	(16,275,683)	-	(16,275,683)
Benefit payments	(1,371,178)	(1,371,178)	-
Contributions from employer	-	1,371,178	(1,371,178)
Net changes	<u>(14,268,956)</u>	<u>-</u>	<u>(14,268,956)</u>
Balance at June 30, 2023	<u>\$ 49,012,722</u>	<u>\$ -</u>	<u>\$ 49,012,722</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.09% in 2022 to 3.77% in 2023.

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.77%) or 1 percentage point higher (4.77%) than the current discount rate:

**Alexandria Central School District**  
**Notes to Financial Statements**  
**June 30, 2023**

	1% Decrease <u>(2.77%)</u>	Discount Rate <u>(3.77%)</u>	1% Increase <u>(4.77%)</u>
Total OPEB Liability	<u>\$ 59,568,689</u>	<u>\$ 49,012,722</u>	<u>\$ 41,137,451</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 trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	1% <u>Decrease</u>	Discount Rate	1% <u>Increase</u>
Total OPEB Liability	<u>\$ 40,601,900</u>	<u>\$ 49,012,722</u>	<u>\$ 60,403,096</u>

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$4,340,323. At June 30, 2023, 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	\$ 1,454,654	\$ -
Changes of assumptions or other inputs	11,274,754	14,819,043
Benefit payments subsequent to measurement period	<u>1,359,302</u>	<u>-</u>
Total	<u>\$ 14,088,710</u>	<u>\$ 14,819,043</u>

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

<u>Fiscal year ending June 30,</u>	<u>Amount</u>
2024	1,064,441
2025	1,379,314
2026	769,928
2027	(416,875)
2028	(1,825,118)
Thereafter	<u>(3,061,325)</u>
	<u>\$ (2,089,635)</u>

**Alexandria Central School District**  
**Notes to Financial Statements**  
**June 30, 2023**

**15 – Subsequent events**

The District has evaluated events and transactions that occurred between June 30, 2023 and October 13, 2023, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements. Nothing of significance was noted.

**Alexandria Central School District**  
**Required Supplementary Information**  
**Schedule of Funding Progress- Other Postemployment Benefits**  
**Last 6 Fiscal Years**  
**For the Year Ended June 30, 2023**

SS #1

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Measurement Date	06/30/22	06/30/21	06/30/20	06/30/19	06/30/18	06/30/17
<b>Total OPEB Liability</b>						
Service Cost	\$ 1,018,032	\$ 2,064,061	\$ 1,779,097	\$ 1,303,155	\$ 1,181,526	\$ 1,372,987
Interest	2,359,873	1,181,319	1,031,253	1,176,392	1,179,155	1,031,759
Changes in benefit terms	-	-	-	-	(201,804)	-
Differences between expected and actual experience in the measurement of the total OPEB liability	-	-	-	-	5,473,039	-
Changes of assumptions or other inputs	(16,275,683)	4,150,009	12,723,997	3,494,572	(1,169,374)	(3,656,781)
Benefit payments	<u>(1,371,178)</u>	<u>(1,272,288)</u>	<u>(1,280,495)</u>	<u>(1,068,214)</u>	<u>(809,065)</u>	<u>(727,687)</u>
Net change in total OPEB liability	(14,268,956)	6,123,101	14,253,852	4,905,905	5,653,477	(1,979,722)
Total OPEB liability - beginning	<u>63,281,678</u>	<u>57,158,577</u>	<u>42,904,725</u>	<u>37,998,820</u>	<u>32,345,343</u>	<u>34,325,065</u>
Total OPEB liability - ending	<u>\$ 49,012,722</u>	<u>\$ 63,281,678</u>	<u>\$ 57,158,577</u>	<u>\$ 42,904,725</u>	<u>\$ 37,998,820</u>	<u>\$ 32,345,343</u>
Covered payroll	<u>\$ 5,556,021</u>	<u>\$ 5,786,013</u>	<u>\$ 5,596,388</u>	<u>\$ 5,661,358</u>	<u>\$ 5,758,384</u>	<u>\$ 5,130,225</u>
Total OPEB liability as a percentage of covered payroll	882.16%	1093.70%	1021.35%	757.85%	659.89%	630.49%

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

Note: The District does not have net assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension*, to pay OPEB benefits. The District currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis.

**Alexandria Central School District  
 Required Supplementary Information  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual - General Fund  
 For the Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>		<u>Final Budget Variance with Budgetary Actual</u>
<b>Revenues</b>					
Local Sources					
Real property taxes	\$ 8,165,839	\$ 7,827,931	\$ 7,827,931	\$	-
Other tax items	3,000	340,908	350,621		9,713
Charges for services	-	-	34,317		34,317
Use of money and property	-	-	175,782		175,782
Sale of Property and Compensation for Loss	-	38,850	68,326		29,476
Miscellaneous	173,000	282,319	701,135		418,816
Total Local Sources	8,341,839	8,490,008	9,158,112		668,104
State sources	5,178,031	5,178,031	5,345,253		167,222
Federal sources	60,800	-	23,384		23,384
Medicaid	-	-	6,876		6,876
Operating Transfers In	-	-	100,000		100,000
Total Revenues	13,580,670	13,668,039	14,633,625	\$	965,586
<b>Appropriated Fund Balance</b>					
Prior years' surplus	1,350,000	1,752,170			
Prior year's encumbrances	31,079	31,079			
Appropriated reserves	100,000	100,000			
Total Appropriated Fund Balance	1,481,079	1,883,249			
Total Revenues and Appropriated Fund Balance	\$ 15,061,749	\$ 15,551,288			<b>Final Budget Variance with Budgetary Actual &amp; Encumbrances</b>
<b>Expenditures</b>					
General Support					
Board of Education	\$ 26,221	\$ 30,935	\$ 26,403	\$ -	\$ 4,532
Central Administration	226,326	236,424	233,701	-	2,723
Finance	232,949	270,734	261,441	2,336	6,957
Staff	64,112	81,872	77,948	-	3,924
Central Services	1,701,581	1,871,121	1,651,690	53,178	166,253
Special Items	193,859	182,532	181,407	-	1,125
Total General Support	2,445,048	2,673,618	2,432,590	55,514	185,514
Instruction					
Administration and Improvement	434,803	408,830	354,203	66	54,561
Teaching - Regular School	3,075,437	2,988,860	2,905,870	6,592	76,398
Programs for Students with Disabilities	1,360,782	1,376,362	1,258,340	432	117,590
Teaching - Special Schools	413,159	384,936	361,416	2,083	21,437
Instructional Media	366,627	344,174	316,188	6,430	21,556
Pupil Services	570,725	512,746	479,073	89	33,584
Total Instruction	6,221,533	6,015,908	5,675,090	15,692	325,126
Pupil Transportation	1,297,635	1,305,857	1,168,955	8,870	128,032
Employee Benefits	3,906,115	3,916,443	3,527,980	-	388,463
Debt Service	976,418	988,918	988,916	-	2
Total Expenditures	14,846,749	14,900,744	13,793,531	80,076	1,027,137
<b>Other Financing Uses</b>					
Transfers to other funds	215,000	650,544	648,363	-	2,181
Total Expenditures and Other Financing Uses	15,061,749	15,551,288	14,441,894	\$ 80,076	\$ 1,029,318
Net Change in Fund Balance			191,731		
Fund Balance - Beginning of Year			3,645,445		
Fund Balance - End of Year			\$ 3,837,176		

See paragraph on Supplementary Schedules included in Independent Auditors' Report.



**Alexandria Central School District  
 Required Supplementary Information  
 Schedule of District Contributions  
 NYSTRS Pension Plan - Last 9 Fiscal Years  
 For the Year Ended June 30, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 457,325	\$ 394,394	\$ 382,509	\$ 432,647	\$ 412,617	\$ 422,548	\$ 477,745	\$ 614,769	\$ 590,471
Contributions in Relation to the Contractually Required Contribution	<u>457,325</u>	<u>394,394</u>	<u>382,509</u>	<u>432,647</u>	<u>412,617</u>	<u>422,548</u>	<u>477,745</u>	<u>614,769</u>	<u>590,471</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	\$ 4,256,418	\$ 4,172,963	\$ 4,131,171	\$ 4,028,337	\$ 3,856,827	\$ 4,209,871	\$ 3,598,184	\$ 3,503,926	\$ 3,578,723
Contributions as a Percentage of Covered-Employee Payroll	10.74%	9.45%	9.26%	10.74%	10.70%	10.04%	13.28%	17.55%	16.50%

**Alexandria Central School District  
 Schedule of District Contributions  
 NYSERS Pension Plan - Last 9 Fiscal Years  
 For the Year Ended June 30, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 143,950	\$ 192,260	\$ 177,895	\$ 173,436	\$ 170,194	\$ 183,050	\$ 177,185	\$ 194,797	\$ 195,035
Contributions in Relation to the Contractually Required Contribution	<u>143,950</u>	<u>192,260</u>	<u>177,895</u>	<u>173,436</u>	<u>170,194</u>	<u>183,050</u>	<u>177,185</u>	<u>194,797</u>	<u>195,035</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	\$ 1,317,918	\$ 1,613,050	\$ 1,277,311	\$ 1,267,269	\$ 1,212,844	\$ 1,548,513	\$ 1,212,571	\$ 1,132,814	\$ 1,129,900
Contributions as a Percentage of Covered-Employee Payroll	10.92%	11.92%	13.93%	13.69%	14.03%	11.82%	14.61%	17.20%	17.26%

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

See paragraph on Supplementary Schedules included in Independent Auditors' Report.

**Alexandria Central School District  
Required Supplementary Information  
Schedule of District's Proportionate Share  
of the Net Pension Liability  
NYSTRS Pension Plan - Last 9 Fiscal Years  
For the Year Ended June 30, 2023**

SS #4

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Pension (Liability) Asset	0.023292%	0.022228%	0.023176%	0.023165%	0.024417%	0.021718%	0.023349%	0.023346%	0.023766%
District's Proportionate Share of the Net Pension (Liability) Asset	\$ (446,945)	\$ 3,851,883	\$ (640,417)	\$ 601,815	\$ 441,527	\$ 165,081	\$ (250,072)	\$ 2,424,951	\$ 2,647,391
District's Covered-Employee Payroll	\$ 4,256,418	\$ 4,172,963	\$ 4,131,171	\$ 4,028,337	\$ 3,856,827	\$ 4,209,871	\$ 3,598,184	\$ 3,503,926	\$ 3,578,723
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	10.50%	-92.31%	15.50%	-14.94%	-11.45%	-3.92%	6.95%	-69.21%	-73.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

**Alexandria Central School District  
Schedule of District's Proportionate Share  
of the Net Pension Liability  
NYSERS Pension Plan - Last 9 Fiscal Years  
For the Year Ended June 30, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Pension (Liability) Asset	0.0046725%	0.0044290%	0.0042413%	0.0043743%	0.0042689%	0.0048523%	0.0043765%	0.0043800%	0.0043000%
District's Proportionate Share of the Net Pension (Liability) Asset	\$(1,001,972)	\$ 362,050	\$ (4,223)	\$(1,158,335)	\$ (305,466)	\$ (156,604)	\$ (411,227)	\$ (702,948)	\$ (145,265)
District's Covered-Employee Payroll	\$ 1,317,918	\$ 1,613,050	\$ 1,277,311	\$ 1,267,269	\$ 1,212,844	\$ 1,548,513	\$ 1,212,571	\$ 1,132,814	\$ 1,129,900
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	76.03%	-22.45%	0.33%	91.40%	-22.45%	10.11%	33.91%	62.05%	12.86%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%

10 years of historical information was 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.

See paragraph on Supplementary Schedules included in Independent Auditors' Report.

**Alexandria Central School District  
 Supplementary Information  
 Schedule of Change from Adopted Budget to Final Budget  
 And the Real Property Tax Limit - General Fund  
 For the Year Ended June 30, 2023**

SS #5

**Change From Adopted Budget to Final Budget**

Adopted Budget	\$ 15,030,670
Add: Prior year's encumbrances	<u>31,079</u>
Original Budget	15,061,749
Budget revisions	<u>489,539</u>
Final Budget	<u><u>\$ 15,551,288</u></u>

**Section 1318 of Real Property Tax Law Limit Calculation**

2023-24 voter-approved expenditure budget	<u>\$ 15,902,241</u>
Maximum allowed (4% of 2023-24 budget)	<u>636,090</u>
General Fund Balance Subject to Section 1318 of Real Property Tax Law:	
Unrestricted fund balance:	
Assigned fund balance	1,540,035
Unassigned fund balance	<u>1,483,838</u>
Total unrestricted fund balance	<u><u>\$ 3,023,873</u></u>
Less:	
Appropriated fund balance	\$ 1,459,959
Encumbrances included in assigned fund balance	<u>80,076</u>
Total adjustments	<u><u>\$ 1,540,035</u></u>
General Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 1,483,838</u></u>
Actual percentage	9.33%

See paragraph on Supplementary Schedules included in Independent Auditors' Report.

Alexandria Central School District  
 Supplementary Information  
 Schedule of Project Expenditures  
 Capital Projects Fund  
 For the Year Ended June 30, 2023

Supplemental Schedule #6

Project Title	Original Appropriation	Revised Appropriation	Prior Years	Expenditures		Unexpended Balance	Proceeds of Obligations	Methods of Financing		Total	Fund Balance June 30, 2023
				Current Year	Total			State Aid	Local Sources		
Gym renovations	\$ 6,550,000	\$ 6,550,000	\$ 419,169	\$ 4,909,280	\$ 5,328,449	\$ 1,221,551	\$ -	\$ -	\$ 1,992,391	\$ 1,992,391	\$ (3,336,058)
SSBA project	339,224	339,224	24,000	6,110	30,110	309,114	-	30,110	-	30,110	-
2022-23 Capital Outlay	100,000	100,000	-	100,000	100,000	-	-	-	100,000	100,000	-
2022-23 E-Rate project	19,435	19,435	-	7,610	7,610	11,825	-	7,610	-	7,610	-
ECF Window #3	12,154	12,154	-	12,154	12,154	-	-	12,154	-	12,154	-
2022-23 Buses	<u>315,000</u>	<u>315,000</u>	<u>-</u>	<u>315,000</u>	<u>315,000</u>	<u>-</u>	<u>315,000</u>	<u>-</u>	<u>-</u>	<u>315,000</u>	<u>-</u>
Totals	<u>\$ 7,335,813</u>	<u>\$ 7,335,813</u>	<u>\$ 443,169</u>	<u>\$ 5,350,154</u>	<u>\$ 5,793,323</u>	<u>\$ 1,542,490</u>	<u>\$ 315,000</u>	<u>\$ 49,874</u>	<u>\$ 2,092,391</u>	<u>\$ 2,457,265</u>	<u>\$ (3,336,058)</u>

**Alexandria Central School District  
Supplementary Information  
Net Investment in Capital Assets  
For the Year Ended June 30, 2023**

Supplemental Schedule #7

Capital assets, net			\$ 20,999,711
Deduct:			
Bond anticipation note	\$	(4,550,000)	
Short-term portion of bonds payable		(812,992)	
Long-term portion of bonds payable		<u>(4,523,345)</u>	<u>(9,886,337)</u>
Net Investment in Capital Assets			<u>\$ 11,113,374</u>

See paragraph on Supplementary Schedules included in Independent Auditors' Report.

**STACKEL & NAVARRA, C.P.A., P.C.**  
*CERTIFIED PUBLIC ACCOUNTANTS*

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Robert F. Stackel, C.P.A.  
Jacob Navarra, C.P.A.  
Mark B. Hills, C.P.A.

**Independent Auditors' 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***

Board of Education  
Alexandria Central School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Alexandria Central School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Alexandria Central School District's basic financial statements, and have issued our report thereon dated October 13, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Alexandria Central School District's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Alexandria Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Alexandria 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Alexandria Central School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2023-1.

### 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.

Handwritten signature in cursive script that reads "Stachel + Nasawa, CPA, PC".

Watertown, NY  
October 13, 2023



**STACKEL & NAVARRA, C.P.A., P.C.**  
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**Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance**

Board of Education  
Alexandria Central School District

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

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

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

***Basis for Opinion on Each Major Federal Program***

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

We are required to be independent of Alexandria 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Alexandria Central School District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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

***Auditors' Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control over Compliance**

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

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

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

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

*Stackel + Navarra, CPA, PC*

Watertown, NY  
October 13, 2023

**Alexandria Central School District  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2023**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Agency or Pass-through Number</u>	<u>Expenditures</u>
U.S. Department of Education			
<b><u>Passed-through NYS Education Department:</u></b>			
<b>Special Education Cluster:</b>			
IDEA - Part B (Section 611)	84.027	0032-23-0315	\$ 130,798
ARP-IDEA-Part B (Section 611)	84.027X	5532-22-0315	23,102
IDEA - Part B (Section 619)	84.173	0033-23-0315	5,254
ARP-IDEA-PartB (Section 619)	84.173X	5533-22-0315	<u>1,665</u>
Total Special Education Cluster			<u>160,819</u>
Title I - ESEA - Basic Grant	84.010	0021-23-1160	105,154
Title II A - Teacher/Principal Training/Recruit	84.367	0147-23-1160	14,079
Title IV - Student Support/Academic Enrichment	84.424	0204-23-1160	10,000
SCEP	84.377	0011-23-8012	2,096
<b>Education Stabilization Funds:</b>			
CRRSA - ESSER 2	84.425D	5891-21-1160	125,168
ARP ESSER 3	84.425U	5880-21-1160	<u>300,067</u>
Total Education Stabilization Funds			<u>425,235</u>
Total Passed-through NYS Education Department			<u>717,383</u>
Direct Programs			
REAP- Rural Education Achievement Program	84.358	S358A222812	<u>39,977</u>
<b>Total Direct Programs</b>			<u>39,977</u>
<i>Total, U.S. Department of Education</i>			<u>757,360</u>
<b><u>U.S. Department of Defense</u></b>			
Direct Programs:			
Impact Aid (Supplement, CWSD, BRAC)	12.558		<u>23,384</u>
Total Direct Programs			<u>23,384</u>
<i>Total, U.S. Department of Defense</i>			<u>23,384</u>

See Notes to Schedule of Expenditures of Federal Awards.

**Alexandria Central School District  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2023**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	Assistance Listing Number	Agency or Pass-through Number	<u>Expenditures</u>
<b><u>U.S. Department of Agriculture</u></b>			
Passed-through NYS Education Department:			
Child Nutrition Cluster:			
Non-Cash Assistance (food distribution)			
National School Lunch Program	10.555		\$ 7,382
Non-Cash Assistance subtotal			<u>7,382</u>
Cash Assistance			
School Breakfast Program	10.553		53,966
National School Lunch Program	10.555		149,634
Summer Feeding Program	10.559		11,039
Cash Assistance subtotal			<u>214,639</u>
Total Child Nutrition Cluster			<u>222,021</u>
P-BET Administrative Costs	10.649		628
Total Passed-through NYS Education Department			<u>222,649</u>
Total, U.S. Department of Agriculture			<u>222,649</u>
Total Federal Awards Expended			<u>\$ 1,003,393</u>

See Notes to Schedule of Expenditures of Federal Awards.

**Alexandria Central School District**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2023**

**1 – Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of federal award programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the District financial statements. Federal awards that are included in the Schedule may be received directly from Federal agencies, as well as Federal awards that are passed through from other government agencies.

The information presented in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**2 – Summary of Certain Significant Accounting Policies**

Matching costs (the District's share of certain program costs) are not included in the reported expenditures. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. The amounts reported as Federal expenditures were obtained from the Federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

The Federal expenditures are recognized under the Uniform Guidance.

**3 – Scope of Audit**

The District is an independent municipal corporation. All Federal grant operations of the District are included in the scope of the single audit.

**4 – Non-Cash Assistance**

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. For the year ended June 30, 2023, the District received food commodities totaling \$7,382.

**5 – Indirect Cost Rate**

The District did not elect to use the 10% de minimus cost rate.

Indirect costs may be included in the reported expenditures, to the extent they are included in the Federal financial reports used as the source for the data presented. The District's policy is not to charge Federal award programs with indirect costs.

**Alexandria Central School District  
Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2023**

**6 – Other Disclosures**

No insurance is carried specifically to cover equipment purchased with Federal funds. Any equipment purchased with Federal funds has only a nominal value, and is covered by the District's casualty insurance policies.

There were no loans or loan guarantees outstanding at year-end.

**7 – Subrecipients**

No amounts were provided to subrecipients.



**Alexandria Central School District  
 Schedule of Findings and Questioned Costs  
 Year Ended June 30, 2023**

**Section I - Summary of Auditors' Results**

***Financial Statements***

Type of auditor's opinion(s) issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ yes  X  no

Significant deficiency(ies) identified? \_\_\_\_\_ yes  X  none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes  X  no

***Federal Awards***

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ yes  X  no

Significant deficiency(ies) identified? \_\_\_\_\_ yes  X  none reported

Type of auditor's opinion(s) issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR-200.516(a) \_\_\_\_\_ yes  X  no

Identification of major programs:

<u>Name of federal program</u>	<u>Assistance Listing Number</u>
Education Stabilization Funds:	

CRRSA-ESSER 2	84.425D
ARP-ESSER 3	84.425U

Dollar threshold used to distinguish between Type A and Type B Programs \$750,000

Auditee qualified as low risk?  X  yes \_\_\_\_\_ no

**Alexandria Central School District  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2023**

**Section II - Financial Statements Findings**

2023-01: Condition and criteria: Undesignated General Fund balance exceeds the 4% allowed by Section 1318 of the Real Property Tax Law.

Cause: The School District's budget overestimated expenditures.

Effect: The School District is in violation of Section 1318 of the Real Property Tax Law. At June 30, 2023, the School District appropriated \$1,459,959 of fund balance for the 2023-2024 fiscal year leaving a balance of \$1,483,838 unassigned. The amount left unappropriated is in excess of four percent of the ensuing fiscal year balance by \$847,748.

Auditors' recommendation: We recommend the School District implement procedures to ensure that the budget is accurate and allows the School District to comply with the fund balance limit.

Corrective Action Planned: Effective July 1, 2023, the District, with assistance of Business Administrator Brianne Durham, will continue to use excessive fund balance to fund the District's Gym Project, fund various reserve funds, including the capital reserve for a new roof and tanks, and to alleviate future tax increases on taxpayers.

**Section III - Federal Award Findings and Questioned Costs**

None

**Alexandria Central School District  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2023**

There were no prior year audit findings.