

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK

AUDITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
JUNE 30, 2023
INCLUDING REPORTS ON FEDERAL AWARDS
AND EXTRACLASSROOM ACTIVITY FUNDS

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
JUNE 30, 2023
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Nugent & Haeussler, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ESTABLISHED 1925

101 Bracken Road
Montgomery, New York 12549
Tel (845) 457-1100
Fax (845) 457-1160
e-mail: nh@nhcpas.com

INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of
Warwick Valley Central School District
Warwick, New York 10990

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 fiduciary fund of the Warwick Valley 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 Warwick Valley 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 and each major fund of the Warwick Valley Central School District, as of June 30, 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Peter J. Bullis, CPA, FACFEI, DABFA
Christopher E. Melley, CPA
Gary C. Theodore, CPA
Julia R. Fraino, CPA
William T. Trainor, CPA
Mark M. Levy, CPA, CFP
Thomas R. Busse, Jr., CPA
Brent T. Napoleon, CPA
Jennifer L. Capicchioni, CPA
Patrick M. Bullis, CPA
Justin B. Wood, CPA
Richard P. Capicchioni, CPA

Norman M. Sassi, CPA
Walter J. Jung, CPA

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Warwick Valley 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 Warwick Valley 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 and required supplemental information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Warwick Valley Central School District's basic financial statements. The supplemental schedules on are required by the New York State Education Department and are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is 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 supplemental schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 3, 2023 on our consideration of the Warwick Valley 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 the Warwick Valley 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 Warwick Valley Central School District's internal control over financial reporting and compliance.

 *Jugend & Haussler, P.C.*

Montgomery, New York
October 3, 2023

WARWICK VALLEY CENTRAL SCHOOL DISTRICT

Management Discussion and Analysis

Introductory Section

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

Financial Highlights

Overview of the Financial Statements

This annual report consists of three parts: MD&A (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-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 district-wide statements. The fund financial statements concentrate on the District's most significant funds with all other non-major funds listed in total in one column.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
- *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee* or *custodian* for the benefit of others.

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.

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of MD&A highlights the structure and contents of each of the statements.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT

Management Discussion and Analysis (Continued)

Overview of the Financial Statements (Continued)

| Figure A-1 Major Features of the District-Wide and Fund Financial Statements | | | |
|---|---|---|---|
| | Fund Financial Statements | | |
| | District-Wide | Governmental Funds | Fiduciary Funds |
| Scope | Entire District (except fiduciary funds) | The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance | Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies |
| Required financial statements | <ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities | <ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances | <ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position |
| Accounting basis and measurement focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial focus | Accrual accounting and economic resources focus |
| Type of asset/deferred outflows of resources/ liability/deferred inflows of resources information | All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term | Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter; no capital assets or long-term liabilities included | All assets, deferred outflows of resources (if applicable), liabilities, and deferred inflows of resources (if any) both short-term and long-term; funds do not currently contain capital assets, although they can |
| Type of inflow/out flow information | All revenues and expenses during year, regardless of when cash is received or paid | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable | All additions and deductions during the year, regardless of when cash is received or paid |

WARWICK VALLEY CENTRAL SCHOOL DISTRICT

Management Discussion and Analysis (Continued)

District-Wide Financial Statements

The district-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 and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position and how it has changed. Net position, the difference between the District's assets and liabilities, 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.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

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

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Federal grants).

The District has two kinds of funds:

- **Governmental Funds:** Most 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. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- **Fiduciary Funds:** The District is the trustee, or custodian, for assets that belong to others, such as the scholarship fund and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT

**Management Discussion and Analysis
(Continued)**

Financial Analysis of the District as a Whole

The District's net position at June 30, 2023 is a deficit of \$108,592,476. This is a \$1,337,634 decrease from last year's deficit net position of \$107,254,842. The following table provides a summary of the District's net position:

Summary of Net Position

| | School District Activities | | |
|--|----------------------------|------------------|----------|
| | June 30, 2023 | June 30, 2022 | % Change |
| Current Assets | \$ 42,865,380 | \$ 36,597,276 | 17.13% |
| Pension Asset | 0 | 35,848,844 | -100.00% |
| Capital Assets, Net | 91,576,056 | 84,606,832 | 8.24% |
| Deferred Outflows | 56,845,790 | 59,064,098 | -3.76% |
| Total Assets and Deferred Outflows | 191,287,226 | 216,117,050 | -11.49% |
| Current Liabilities | 18,013,549 | 9,990,711 | 80.30% |
| Pension Liability | 10,000,780 | 0 | N/A |
| Long-Term Debt Outstanding | 222,194,052 | 258,119,530 | -13.92% |
| Deferred Inflows | 49,671,321 | 55,261,651 | -10.12% |
| Total Liabilities and Deferred Inflows | 299,879,702 | 323,371,892 | -7.26% |
| Net Position: | | | |
| Net Investment in Capital Assets | 59,326,871 | 58,189,694 | 1.95% |
| Restricted | 17,260,024 | 55,242,870 | -68.76% |
| Unrestricted | (185,179,371) | (220,687,406) | 16.09% |
| Total Net Position | \$ (108,592,476) | \$ (107,254,842) | -1.25% |

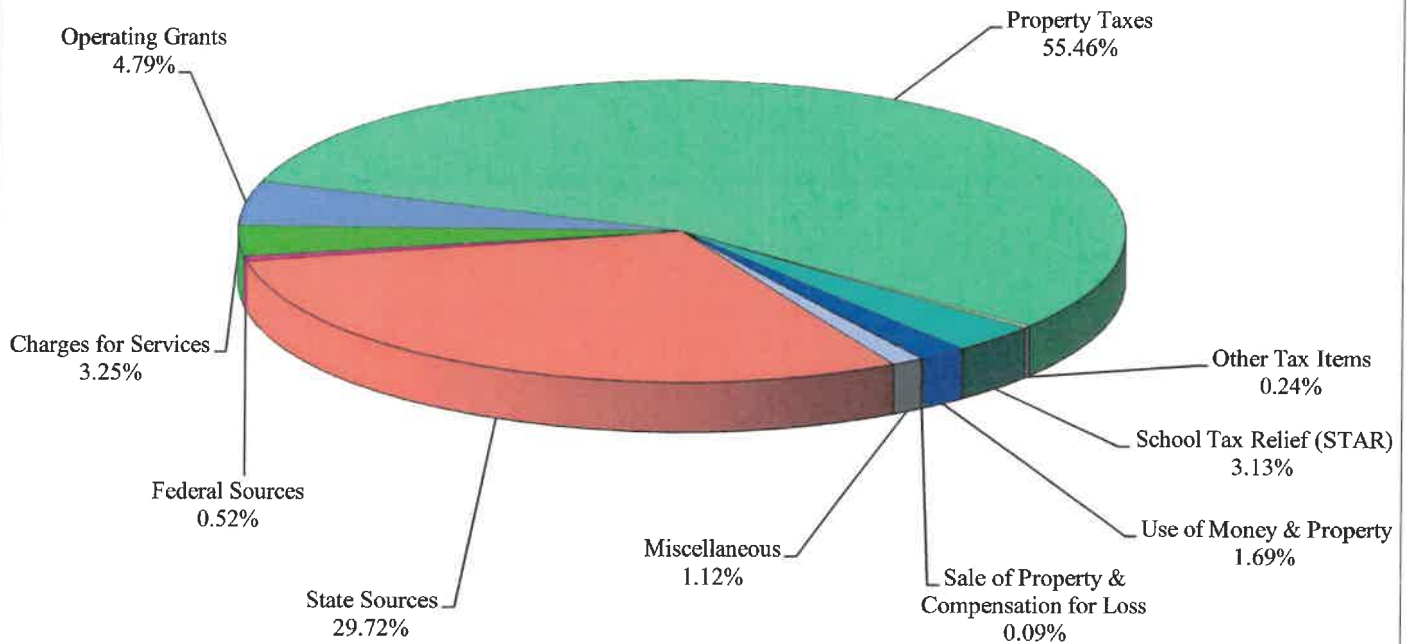
The following table and supporting graphs provides a summary of revenues, expenses and changes in net position for the year ended June 30, 2023:

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
STATEMENT OF ACTIVITIES
SUMMARY OF CHANGES IN NET POSITION

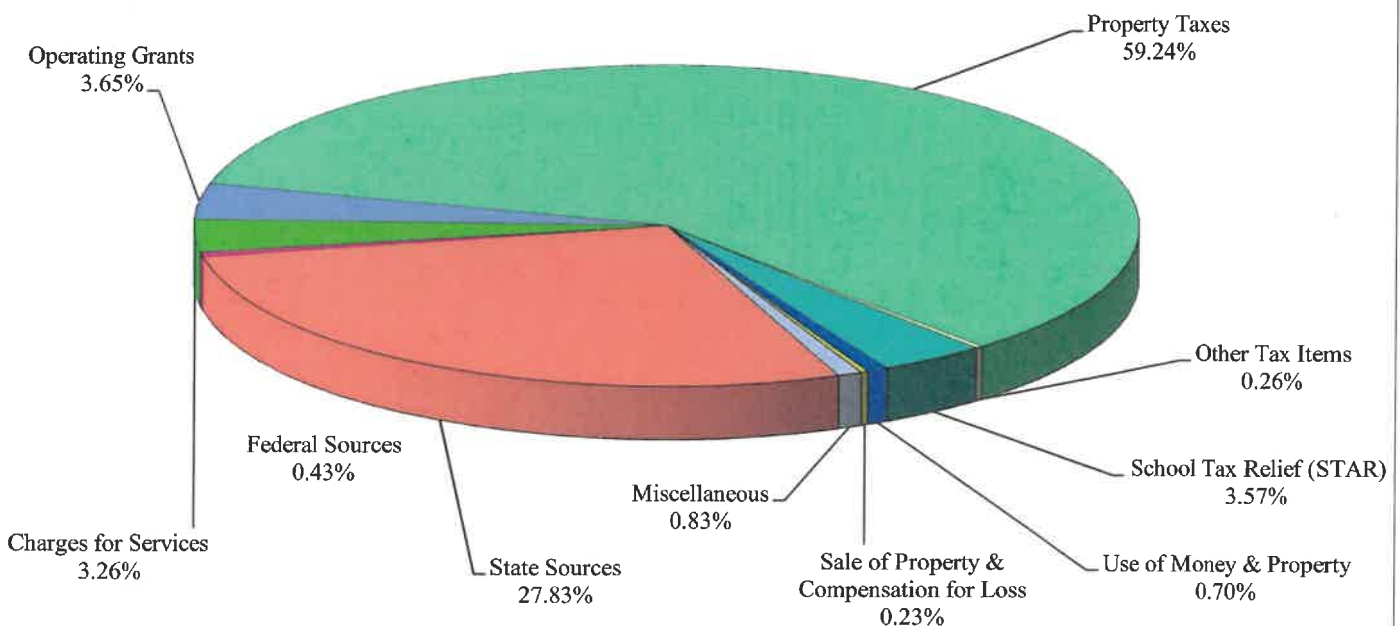
| | <u>JUNE 30, 2023</u> | <u>%</u> | <u>JUNE 30, 2022</u> | <u>%</u> | <u>\$ Change</u> | <u>% Change</u> |
|--|-----------------------|----------------|----------------------|----------------|---------------------|-----------------|
| <u>REVENUES</u> | | | | | | |
| PROGRAM REVENUES: | | | | | | |
| Charges for Services | \$ 3,571,126 | 3.25% | \$ 3,347,583 | 3.26% | \$ 223,543 | 6.68% |
| Operating Grants | 5,257,968 | 4.79% | 3,747,696 | 3.65% | 1,510,272 | 40.30% |
| GENERAL REVENUES: | | | | | | |
| Property Taxes | 60,867,704 | 55.45% | 60,846,287 | 59.24% | 21,417 | 0.04% |
| Other Tax Items | 259,256 | 0.24% | 267,490 | 0.26% | (8,234) | -3.08% |
| School Tax Relief (STAR) | 3,439,619 | 3.13% | 3,667,733 | 3.57% | (228,114) | -6.22% |
| Use of Money & Property | 1,853,418 | 1.69% | 722,211 | 0.70% | 1,131,207 | 156.63% |
| Sale of Property & Compensation for Loss | 97,233 | 0.09% | 235,978 | 0.23% | (138,745) | -58.80% |
| Miscellaneous | 1,232,889 | 1.12% | 849,122 | 0.83% | 383,767 | 45.20% |
| State Sources | 32,618,663 | 29.72% | 28,585,167 | 27.83% | 4,033,496 | 14.11% |
| Federal Sources | 566,069 | 0.52% | 442,674 | 0.43% | 123,395 | 27.87% |
| TOTAL REVENUES | <u>109,763,945</u> | <u>100.00%</u> | <u>102,711,941</u> | <u>100.00%</u> | <u>7,052,004</u> | <u>6.87%</u> |
| <u>EXPENSES</u> | | | | | | |
| General Support | 5,570,346 | 5.01% | 7,967,591 | 7.72% | (2,397,245) | -30.09% |
| Instruction | 64,214,311 | 57.80% | 57,957,076 | 56.19% | 6,257,235 | 10.80% |
| Pupil Transportation | 5,096,305 | 4.59% | 4,696,623 | 4.55% | 399,682 | 8.51% |
| Employee Benefits | 30,062,438 | 27.06% | 26,063,126 | 25.27% | 3,999,312 | 15.34% |
| Debt Service Interest | 596,535 | 0.54% | 536,405 | 0.52% | 60,130 | 11.21% |
| Depreciation and Amortization | 4,515,980 | 4.06% | 4,947,639 | 4.80% | (431,659) | -8.72% |
| School Lunch Program | 1,045,664 | 0.94% | 984,867 | 0.95% | 60,797 | 6.17% |
| TOTAL EXPENSES | <u>111,101,579</u> | <u>100.00%</u> | <u>103,153,327</u> | <u>100.00%</u> | <u>7,948,252</u> | <u>7.71%</u> |
| CHANGE IN NET POSITION | <u>\$ (1,337,634)</u> | | <u>\$ (441,386)</u> | | <u>\$ (896,248)</u> | |

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK

**SOURCES OF REVENUES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

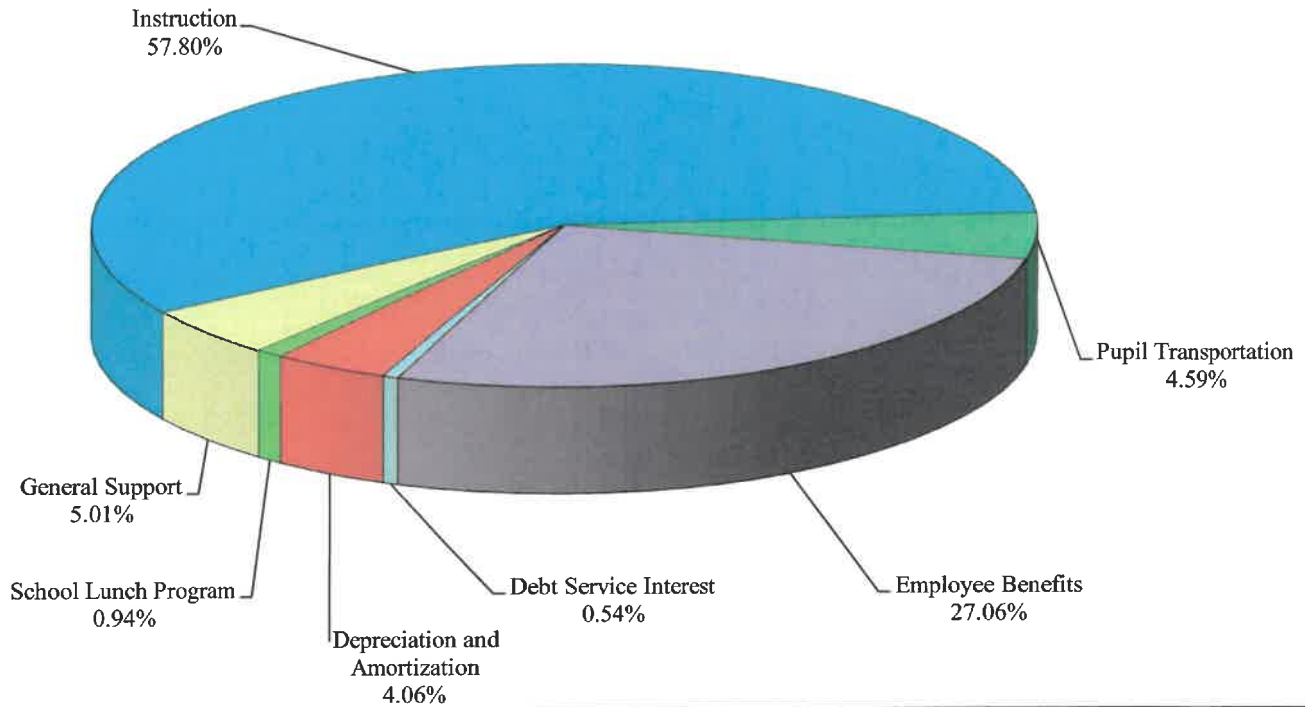


**SOURCES OF REVENUES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

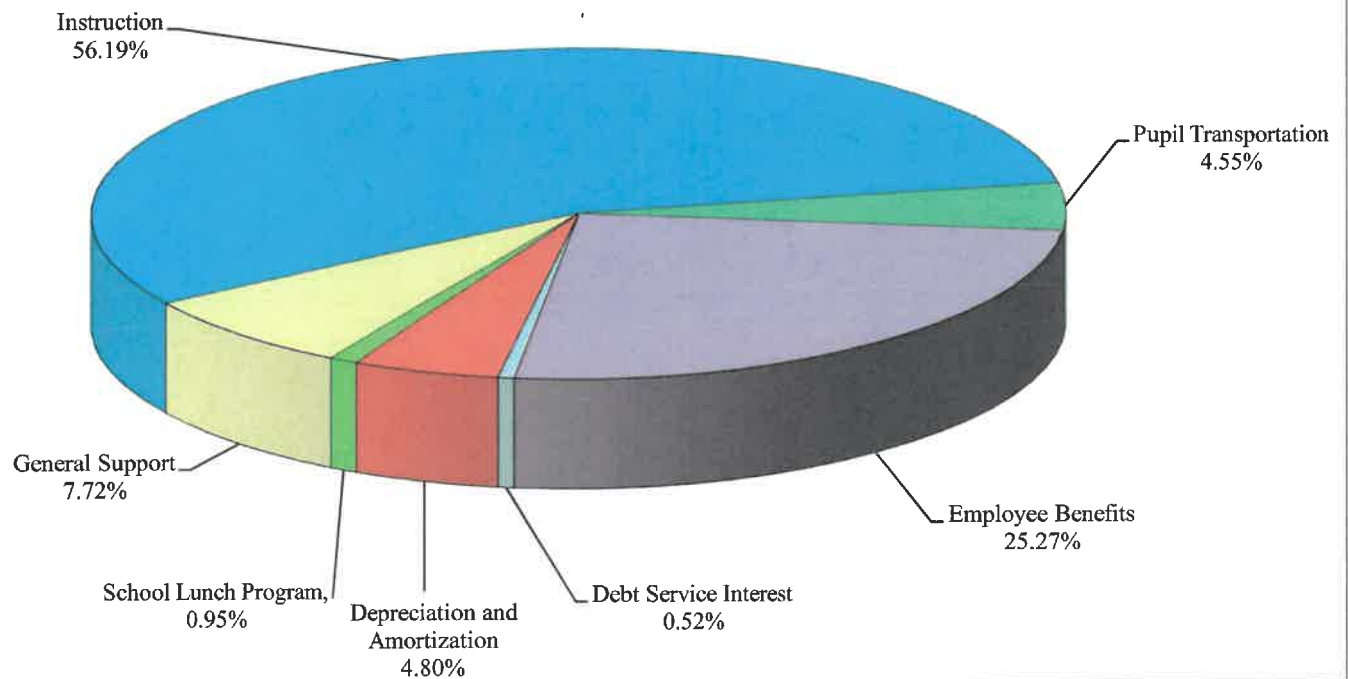


WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK

EXPENSES FOR THE FISCAL YEAR ENDED JUNE 30, 2023



EXPENSES FOR THE FISCAL YEAR ENDED JUNE 30, 2022

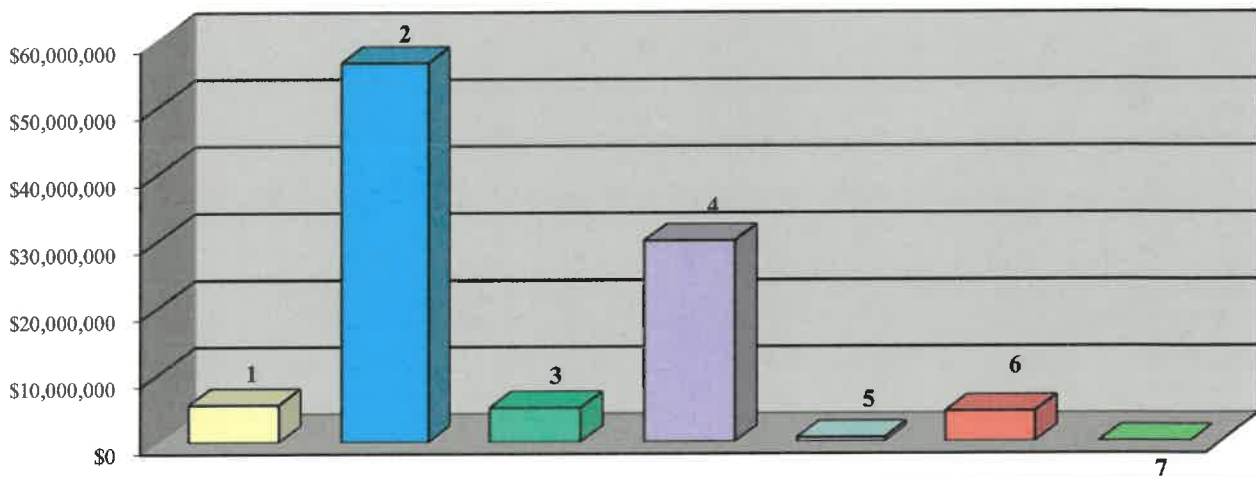


WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
STATEMENT OF ACTIVITIES
NET COSTS

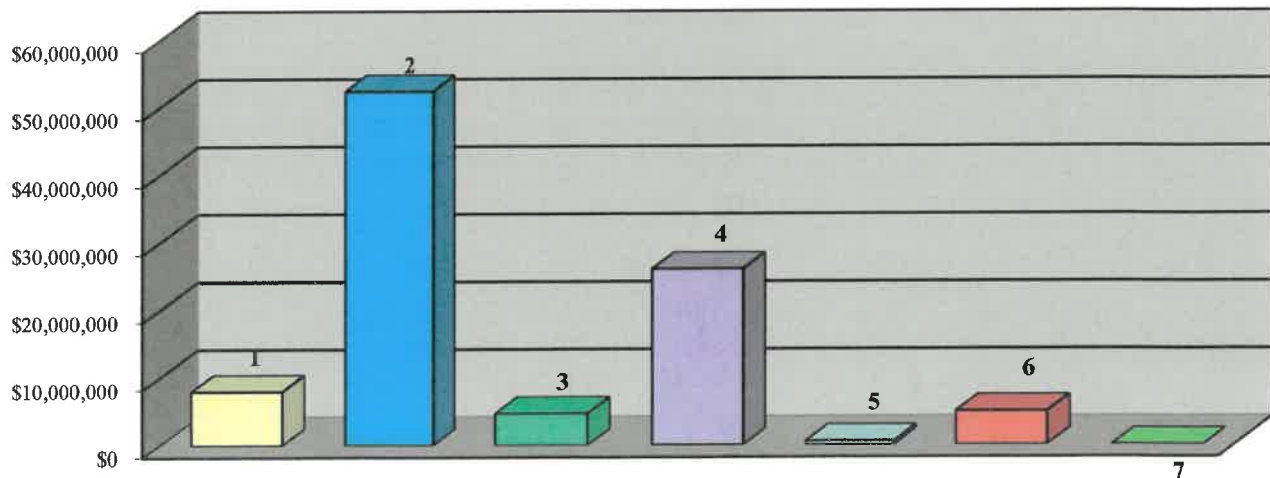
The following information is provided to disclose the net cost of governmental activities:

| | | TOTAL COST OF SERVICES 2022-2023 | NET COST OF SERVICES 2022-2023 | TOTAL COST OF SERVICES 2021-2022 | NET COST OF SERVICES 2021-2022 |
|-------------------------|----------|--|--------------------------------------|--|--------------------------------------|
| General Support | 1 | \$ 5,570,346 | \$ 5,570,346 | \$ 7,967,591 | \$ 7,967,591 |
| Instruction | 2 | 64,214,311 | 56,634,010 | 57,957,076 | 52,338,057 |
| Pupil Transportation | 3 | 5,096,305 | 5,096,305 | 4,696,623 | 4,696,623 |
| Employee Benefits | 4 | 30,062,438 | 30,062,438 | 26,063,126 | 26,063,126 |
| Debt Service - Interest | 5 | 596,535 | 596,535 | 536,405 | 536,405 |
| Depreciation | 6 | 4,515,980 | 4,515,980 | 4,947,639 | 4,947,639 |
| School Lunch Program | 7 | 1,045,664 | (203,129) | 984,867 | (491,393) |
| | | <u>\$ 111,101,579</u> | <u>\$ 102,272,485</u> | <u>\$ 103,153,327</u> | <u>\$ 96,058,048</u> |

NET COSTS 2022-2023



NET COSTS 2021-2022



WARWICK VALLEY CENTRAL SCHOOL DISTRICT

Management Discussion and Analysis (Continued)

Financial Analysis of the District's Funds

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

| June 30, 2023 | | | | | | |
|------------------|------------------|-------------|----------------------|---------------------|---------------------|----------------------|
| | Nonspendable | Committed | Restricted | Assigned | Unassigned | Total |
| General | \$ 0 | \$ 0 | \$ 15,814,671 | \$ 5,589,234 | \$ 4,375,959 | \$ 25,779,864 |
| Special Aid | 0 | 0 | 0 | 0 | 0 | 0 |
| School Lunch | 69,113 | 0 | 795,828 | 0 | 0 | 864,941 |
| Capital Projects | 0 | 0 | 0 | 0 | (2,507,833) | (2,507,833) |
| Debt Service | 0 | 0 | 649,525 | 0 | 0 | 649,525 |
| | <u>\$ 69,113</u> | <u>\$ 0</u> | <u>\$ 17,260,024</u> | <u>\$ 5,589,234</u> | <u>\$ 1,868,126</u> | <u>\$ 24,786,497</u> |

| June 30, 2022 | | | | | | |
|------------------|------------------|-------------|----------------------|---------------------|---------------------|----------------------|
| | Nonspendable | Committed | Restricted | Assigned | Unassigned | Total |
| General | \$ 0 | \$ 0 | \$ 14,051,096 | \$ 4,733,398 | \$ 4,153,465 | \$ 22,937,959 |
| Special Aid | 0 | 0 | 0 | 0 | 0 | 0 |
| School Lunch | 57,412 | 0 | 752,987 | 0 | 0 | 810,399 |
| Capital Projects | 0 | 0 | 4,129,337 | 0 | 0 | 4,129,337 |
| Debt Service | 0 | 0 | 460,606 | 0 | 0 | 460,606 |
| | <u>\$ 57,412</u> | <u>\$ 0</u> | <u>\$ 19,394,026</u> | <u>\$ 4,733,398</u> | <u>\$ 4,153,465</u> | <u>\$ 28,338,301</u> |

General Fund Budgetary Highlights

The original budget for the General Fund was revised by \$818,399 during the year. The supplemental appropriations consisted of appropriations of the Capital Reserve, High School Transformer, Emergency HS Boiler, Capital Fund, Emergency Connectivity Grant, and Donations.

In the General Fund for the year ended June 30, 2023, actual revenues were greater than revised budgeted revenues by \$2,805,711 (2.65%). Revenue sources most significantly greater than the budgeted amount were Federal Sources, State Sources, and miscellaneous, which was primarily a refund from BOCES. Actual expenditures and encumbrances were less than the revised budgeted expenditures by \$2,401,772 (2.27%). The most significant unencumbered balances related to instructional expenses for teaching – regular school in the amount of \$605,080, employee benefits in the amount of \$444,155, and central services in the amount of \$301,058. Effective budget management and close monitoring contributed to these unencumbered appropriations. Additionally, expenditure needs were impacted due to the pandemic.

For the year 2023-2024, the District appropriated \$1,400,000 of fund balance to reduce the tax levy.

Factors that continue to affect the budget process are as follows:

- New York State Aid revenues may be affected due to state wide budget constraints.
- Employee benefits, including health benefits and teachers' and employees' retirement continue to rise.
- Current economic conditions are expected to reduce future revenues and increase costs.
- Costs related to pandemic instructional and safety needs.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT

**Management Discussion and Analysis
(Continued)**

Management believes that the budget adopted for 2023-2024 should be adaptable to any adverse changes that may arise based on the above factors.

New York State Legislature contains legislation, Chapter 97 of the Laws of 2011 that established a “property tax cap” on the amount that a school district’s property tax levy can increase each year. This legislation specifies that property taxes levied by a school district generally cannot increase by more than two percent, or the rate of inflation, whichever is less. The law does allow school districts to levy an additional amount for certain excludable expenditures. School districts can adopt a tax levy that exceeds the statutory limit if the budget that is presented to the public is approved by sixty percent of the votes cast.

Other Fund Highlights

The Special Aid Fund ended the year with no fund balance. During the year, expenditures were equal to revenues.

The School Lunch Program Fund ended the year with a fund balance of \$864,941. The excess of revenues over expenditures was \$54,542.

The Capital Projects Fund ended the year with a fund balance deficit of (\$2,507,833). The current year expenditures were related to ongoing District-Wide Reconstruction.

Debt Service Fund ended the year with a fund balance of \$649,525. Revenue consisted of interest and premium.

Capital Asset and Debt Administration

Capital Assets

The District’s investment in capital assets, net of accumulated depreciation and amortization as of June 30, 2023 was \$91,576,056. The total increase in this net investment was 8.24% for the District as a whole (see schedule below). The District’s investment in capital assets, net of accumulated depreciation and amortization as of June 30, 2022, was \$84,606,832. The District expended \$12,063,054 to acquire and construct capital assets during the year ended June 30, 2023, and depreciation and amortization expense for the year was \$5,093,830.

CAPITAL ASSETS

Net of Accumulated Depreciation

| | School District Activities | | % Change |
|--------------------------------|----------------------------|--------------------------|-----------|
| | June 30, 2023 | June 30, 2022 | |
| <u>Non-Depreciable Assets:</u> | | | |
| Land | \$ 1,014,654 | \$ 1,014,654 | 0.00% |
| Construction in Progress | 10,550,673 | 663,080 | 1491.16% |
| <u>Depreciable Assets:</u> | | | |
| Building and Improvements | 69,913,907 | 72,818,927 | -3.99% |
| Furniture and Equipment | 6,842,911 | 7,234,561 | -5.41% |
| Vehicles | 2,809,734 | 2,652,463 | 5.93% |
| <u>Amortizable Assets:</u> | | | |
| Equipment - Right to Use | 444,177 | 223,147 | 99.05% |
| TOTALS | <u>\$ 91,576,056</u> | <u>\$ 84,606,832</u> | 8.24% |

WARWICK VALLEY CENTRAL SCHOOL DISTRICT

**Management Discussion and Analysis
(Continued)**

Long-Term Debt

At the end of the year, the District had total bonded debt outstanding of \$15,640,000, leases payable of \$394,470, and installment debt outstanding of \$5,787,635. This amount is backed by the full faith and credit of Warwick Valley Central School District with debt service fully funded by voter approved property taxes. Activity in long-term debt outstanding during the year was as follows:

| | <u>Beginning Balance</u> | <u>Issued</u> | <u>Paid</u> | <u>Ending Balance</u> |
|-------------------------------|--------------------------|-------------------|---------------------|-----------------------|
| Serial Bond | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Serial Bond | 690,000 | 0 | 690,000 | 0 |
| Serial Bond | 4,865,000 | 0 | 230,000 | 4,635,000 |
| Serial Bond | 3,840,000 | 0 | 325,000 | 3,515,000 |
| Serial Bond | 2,350,000 | 0 | 525,000 | 1,825,000 |
| Serial Bond | 6,120,000 | 0 | 455,000 | 5,665,000 |
| Total Bonded Debt Outstanding | <u>17,865,000</u> | <u>0</u> | <u>2,225,000</u> | <u>15,640,000</u> |
| Leases Payable | 177,349 | 577,850 | 360,729 | 394,470 |
| Installment Purchase Debt | <u>6,528,488</u> | <u>0</u> | <u>740,853</u> | <u>5,787,635</u> |
| Total Bonds and Notes Payable | <u>\$ 24,570,837</u> | <u>\$ 577,850</u> | <u>\$ 3,326,582</u> | <u>\$ 21,822,105</u> |

Bond Ratings

Moody's Investors Service ("Moody's") has assigned a rating of "Aa2" to outstanding uninsured bonds of the District. This rating reflects only the view of such rating agency and an explanation of the significance of such rating should be obtained from Moody's Investors Service. There can be no assurance that such rating will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any change or withdrawal of such rating may have an adverse effect on the market price of the Notes or the availability of a secondary market for the Notes.

Contacting the 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, contact Timothy Holmes, Assistant Superintendent for Business, at the District's business offices at the School's Business Offices at 225 West St., Warwick, New York 10990.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
JUNE 30, 2023

ASSETS

| | |
|---------------------------------|--------------------|
| Unrestricted Cash | \$ 13,146,141 |
| Restricted Cash | 24,324,260 |
| State & Federal Aid Receivable | 3,601,350 |
| Due from Other Governments | 402,626 |
| Due from Fiduciary Funds | 340 |
| Other Receivables, Net | 13,199 |
| Inventories | 69,113 |
| Leases Receivable | 1,308,350 |
| Right to Use Assets, Net | 444,177 |
| Non Depreciable Capital Assets | 11,565,327 |
| Depreciable Capital Assets, Net | 79,566,552 |
| TOTAL ASSETS | 134,441,436 |

DEFERRED OUTFLOWS OF RESOURCES

| | |
|---|-------------------|
| Pension Plans (ERS & TRS) | 25,351,329 |
| Other Postemployment Benefits | 31,468,369 |
| Deferred Charges on Refunding | 26,092 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 56,845,790 |

LIABILITIES

| | |
|--|--------------------|
| Accounts Payable | 1,417,903 |
| Accrued Liabilities | 1,127,730 |
| Due to Other Governments | 66 |
| Due to Teachers' Retirement System | 4,032,111 |
| Due to Employees' Retirement System | 381,809 |
| Other Liabilities | 185,960 |
| Bond Anticipation Notes | 9,671,521 |
| Unearned Revenues | 171,048 |
| Long-Term Liabilities: | |
| Due and Payable Within One Year: | |
| Bonds Payable | 564,100 |
| Installment Purchase Debt | 461,301 |
| Lease Liability | 192,611 |
| Due and Payable In More Than One Year: | |
| Bonds Payable | 15,857,551 |
| Installment Purchase Debt | 5,326,334 |
| Lease Liability | 201,859 |
| Compensated Absences | 153,497 |
| Other Postemployment Benefits | 200,462,200 |
| Net Pension Liability, Proportionate Share (ERS & TRS) | 10,000,780 |
| TOTAL LIABILITIES | 250,208,381 |

DEFERRED INFLOWS OF RESOURCES

| | |
|--|-------------------|
| Pension Plans (ERS & TRS) | 2,391,249 |
| Other Postemployment Benefits | 46,072,036 |
| Deferred Lease Revenue | 1,208,036 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 49,671,321 |

NET POSITION

| | |
|----------------------------------|-------------------------|
| Net Investment in Capital Assets | 59,326,871 |
| Restricted | 17,260,024 |
| Unrestricted | (185,179,371) |
| TOTAL NET POSITION | \$ (108,592,476) |

See notes to financial statements.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

| | | PROGRAM REVENUES | | NET (EXPENSE) |
|--|-------------------------|----------------------------|---------------------|---|
| | | CHARGES FOR SERVICES | OPERATING GRANTS | REVENUE & CHANGES IN NET POSITION |
| | EXPENSES | | | |
| <u>FUNCTIONS & PROGRAMS</u> | | | | |
| General Support | \$ (12,144,717) | \$ 0 | \$ 0 | \$ (12,144,717) |
| Instruction | (89,678,395) | 2,608,118 | 4,972,183 | (82,098,094) |
| Pupil Transportation | (7,324,516) | 0 | 0 | (7,324,516) |
| Debt Service – Interest | (596,535) | 0 | 0 | (596,535) |
| School Lunch Program | (1,357,416) | 963,008 | 285,785 | (108,623) |
| TOTAL FUNCTIONS & PROGRAMS | <u>\$ (111,101,579)</u> | <u>\$ 3,571,126</u> | <u>\$ 5,257,968</u> | <u>(102,272,485)</u> |
| <u>GENERAL REVENUES</u> | | | | |
| Real Property Taxes | | | | 60,867,704 |
| Other Tax Items | | | | 3,698,875 |
| Use of Money & Property | | | | 1,853,418 |
| Sale of Property & Compensation for Loss | | | | 97,233 |
| Miscellaneous | | | | 1,232,889 |
| State Sources | | | | 32,618,663 |
| Federal Sources | | | | 566,069 |
| TOTAL GENERAL REVENUES | | | | <u>100,934,851</u> |
| CHANGE IN NET POSITION | | | | (1,337,634) |
| NET POSITION, BEGINNING OF YEAR | | | | <u>(107,254,842)</u> |
| NET POSITION, END OF YEAR | | | | <u>\$ (108,592,476)</u> |

See notes to financial statements.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT

WARWICK, NEW YORK

BALANCE SHEET – GOVERNMENTAL FUNDS

JUNE 30, 2023

| | GENERAL | SPECIAL AID | SCHOOL LUNCH | CAPITAL PROJECTS | DEBT SERVICE | TOTAL GOVERNMENTAL FUNDS |
|--|---------------|----------------|-----------------|---------------------|-----------------|--------------------------------|
| <u>ASSETS</u> | | | | | | |
| Unrestricted Cash | \$ 13,146,141 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 13,146,141 |
| Restricted Cash | 15,814,671 | (139,894) | 875,109 | 7,298,925 | 475,449 | 24,324,260 |
| State & Federal Aid Receivable | 2,377,087 | 1,206,960 | 17,303 | 0 | 0 | 3,601,350 |
| Due from Other Governments | 402,626 | 0 | 0 | 0 | 0 | 402,626 |
| Due from Other Funds | 1,983,920 | 686,375 | 27,515 | 74,487 | 174,597 | 2,946,894 |
| Due from Fiduciary Funds | 340 | 0 | 0 | 0 | 0 | 340 |
| Other Receivables, Net | 13,199 | 0 | 0 | 0 | 0 | 13,199 |
| Leases Receivable | 1,308,350 | 0 | 0 | 0 | 0 | 1,308,350 |
| Inventories | 0 | 0 | 69,113 | 0 | 0 | 69,113 |
| TOTAL ASSETS | \$ 35,046,335 | \$ 1,753,441 | \$ 989,040 | \$ 7,373,412 | \$ 650,046 | \$ 45,812,274 |
| <u>LIABILITIES & FUND BALANCES</u> | | | | | | |
| <u>LIABILITIES</u> | | | | | | |
| Accounts Payable | \$ 1,417,903 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 1,417,903 |
| Accrued Liabilities | 989,764 | 8,019 | 12,646 | 0 | 0 | 1,010,429 |
| Due to Other Governments | 0 | 0 | 66 | 0 | 0 | 66 |
| Due to Other Funds | 1,033,451 | 1,646,463 | 56,735 | 209,724 | 521 | 2,946,894 |
| Due to Teachers' Retirement System | 4,032,111 | 0 | 0 | 0 | 0 | 4,032,111 |
| Due to Employees' Retirement System | 381,809 | 0 | 0 | 0 | 0 | 381,809 |
| Other Liabilities | 185,960 | 0 | 0 | 0 | 0 | 185,960 |
| Bond Anticipation Notes | 0 | 0 | 0 | 9,671,521 | 0 | 9,671,521 |
| Unearned Revenues | 17,437 | 98,959 | 54,652 | 0 | 0 | 171,048 |
| TOTAL LIABILITIES | 8,058,435 | 1,753,441 | 124,099 | 9,881,245 | 521 | 19,817,741 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | | | |
| Deferred Lease Revenue | 1,208,036 | 0 | 0 | 0 | 0 | 1,208,036 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 1,208,036 | 0 | 0 | 0 | 0 | 1,208,036 |
| <u>FUND BALANCES</u> | | | | | | |
| Fund Balance: | | | | | | |
| Nonspendable: | 0 | 0 | 69,113 | 0 | 0 | 69,113 |
| Restricted: | 15,814,671 | 0 | 795,828 | 0 | 649,525 | 17,260,024 |
| Assigned: | 5,589,234 | 0 | 0 | 0 | 0 | 5,589,234 |
| Unassigned: | 4,375,959 | 0 | 0 | (2,507,833) | 0 | 1,868,126 |
| TOTAL FUND BALANCES | 25,779,864 | 0 | 864,941 | (2,507,833) | 649,525 | 24,786,497 |
| TOTAL LIABILITIES & FUND BALANCES | \$ 35,046,335 | \$ 1,753,441 | \$ 989,040 | \$ 7,373,412 | \$ 650,046 | \$ 45,812,274 |

See notes to financial statements.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

| ASSETS | TOTAL GOVERNMENTAL FUNDS | LONG-TERM ASSETS & LIABILITIES | RECLASSIFICATIONS & ELIMINATIONS | STATEMENT OF NET POSITION |
|--|--------------------------------|--------------------------------------|-------------------------------------|------------------------------|
| Unrestricted Cash | \$ 13,146,141 | \$ 0 | \$ 0 | \$ 13,146,141 |
| Restricted Cash | 24,324,260 | 0 | 0 | 24,324,260 |
| State & Federal Aid Receivable | 3,601,350 | 0 | 0 | 3,601,350 |
| Due from Other Governments | 402,626 | 0 | 0 | 402,626 |
| Due from Other Funds | 2,946,894 | 0 | (2,946,894) | 0 |
| Due from Fiduciary Funds | 340 | 0 | 0 | 340 |
| Other Receivables, Net | 13,199 | 0 | 0 | 13,199 |
| Leases Receivable | 1,308,350 | 0 | 0 | 1,308,350 |
| Inventories | 69,113 | 0 | 0 | 69,113 |
| Right to Use Assets, Net | 0 | 444,177 | 0 | 444,177 |
| Non Depreciable Capital Assets | 0 | 11,565,327 | 0 | 11,565,327 |
| Capital Assets, Net | 0 | 79,566,552 | 0 | 79,566,552 |
| TOTAL ASSETS | 45,812,274 | 91,576,056 | (2,946,894) | 134,441,436 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Pension Plans (ERS & TRS) | 0 | 25,351,329 | 0 | 25,351,329 |
| Other Postemployment Benefits | 0 | 31,468,369 | 0 | 31,468,369 |
| Deferred Charges on Refunding | 0 | 26,092 | 0 | 26,092 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 0 | 56,845,790 | 0 | 56,845,790 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | \$ 45,812,274 | \$ 148,421,846 | \$ (2,946,894) | \$ 191,287,226 |

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & FUND BALANCES / NET POSITION

| | | | | |
|---|----------------------|-----------------------|-----------------------|-----------------------|
| LIABILITIES | \$ 1,417,903 | \$ 0 | \$ 0 | \$ 1,417,903 |
| Accounts Payable | 1,010,429 | 117,301 | 0 | 1,127,730 |
| Accrued Liabilities | 66 | 0 | 0 | 66 |
| Due to Other Governments | 2,946,894 | 0 | (2,946,894) | 0 |
| Due to Other Funds | 4,032,111 | 0 | 0 | 4,032,111 |
| Due to Teachers' Retirement System | 381,809 | 0 | 0 | 381,809 |
| Due to Employees' Retirement System | 185,960 | 0 | 0 | 185,960 |
| Other Liabilities | 9,671,521 | 0 | 0 | 9,671,521 |
| Bond Anticipation Notes | 171,048 | 0 | 0 | 171,048 |
| Unearned Revenues | 0 | 16,421,651 | 0 | 16,421,651 |
| Bonds Payable | 0 | 5,787,635 | 0 | 5,787,635 |
| Installment Purchase Debt | 0 | 394,470 | 0 | 394,470 |
| Lease Liability | 0 | 153,497 | 0 | 153,497 |
| Compensated Absences | 0 | 200,462,200 | 0 | 200,462,200 |
| Other Postemployment Benefits | 0 | 10,000,780 | 0 | 10,000,780 |
| Net Pension Liability, Proportionate Share (ERS & TRS) | 0 | 233,337,534 | (2,946,894) | 250,208,381 |
| TOTAL LIABILITIES | 19,817,741 | 233,337,534 | (2,946,894) | 250,208,381 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Pension Plans (ERS & TRS) | 0 | 2,391,249 | 0 | 2,391,249 |
| Other Postemployment Benefits | 0 | 46,072,036 | 0 | 46,072,036 |
| Deferred Lease Revenue | 1,208,036 | 0 | 0 | 1,208,036 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 1,208,036 | 48,463,285 | 0 | 49,671,321 |
| TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES | 21,025,777 | 281,800,819 | (2,946,894) | 299,879,702 |
| FUND BALANCES / NET POSITION | 24,786,497 | (133,378,973) | 0 | (108,592,476) |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & FUND BALANCES / NET POSITION | \$ 45,812,274 | \$ 148,421,846 | \$ (2,946,894) | \$ 191,287,226 |

See notes to financial statements.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

| | GENERAL | SPECIAL AID | SCHOOL LUNCH | CAPITAL PROJECTS | DEBT SERVICE | TOTAL GOVERNMENTAL FUNDS |
|--|----------------------|------------------|-------------------|-----------------------|-------------------|--------------------------------|
| REVENUES | | | | | | |
| Real Property Taxes | \$ 60,867,704 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 60,867,704 |
| Other Tax Items | 3,698,875 | 0 | 0 | 0 | 0 | 3,698,875 |
| Charges for Services | 2,608,118 | 0 | 0 | 0 | 0 | 2,608,118 |
| Use of Money & Property | 1,851,396 | 0 | 2,022 | 0 | 0 | 1,853,418 |
| Sale of Property & Compensation for Loss | 97,233 | 0 | 0 | 0 | 0 | 97,233 |
| Miscellaneous | 1,088,725 | 19,915 | 0 | 0 | 124,249 | 1,232,889 |
| State Sources | 31,340,355 | 1,270,126 | 8,180 | 2 | 0 | 32,618,663 |
| Federal Sources | 574,249 | 4,972,183 | 277,605 | 0 | 0 | 5,824,037 |
| Sales | 0 | 0 | 963,008 | 0 | 0 | 963,008 |
| TOTAL REVENUES | 102,126,655 | 6,262,224 | 1,250,815 | 2 | 124,249 | 109,763,945 |
| EXPENDITURES | | | | | | |
| General Support | 8,965,257 | 0 | 0 | 0 | 0 | 8,965,257 |
| Instruction | 58,155,788 | 6,034,563 | 0 | 0 | 0 | 64,190,351 |
| Pupil Transportation | 5,096,305 | 0 | 0 | 0 | 0 | 5,096,305 |
| Employee Benefits | 21,698,168 | 520,943 | 150,609 | 0 | 0 | 22,369,720 |
| Debt Service: | | | | | | |
| Principal | 3,661,260 | 0 | 0 | 0 | 0 | 3,661,260 |
| Interest | 815,417 | 0 | 0 | 0 | 0 | 815,417 |
| Cost of Sales | 0 | 0 | 1,045,664 | 0 | 0 | 1,045,664 |
| Capital Outlay | 0 | 0 | 0 | 8,084,303 | 0 | 8,084,303 |
| TOTAL EXPENDITURES | 98,392,195 | 6,555,506 | 1,196,273 | 8,084,303 | 0 | 114,228,277 |
| EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES | 3,734,460 | (293,282) | 54,542 | (8,084,301) | 124,249 | (4,464,332) |
| OTHER SOURCES & USES | | | | | | |
| Proceeds from Debt | 0 | 0 | 0 | 577,850 | 0 | 577,850 |
| BANS Redeemed from Appropriations | 0 | 0 | 0 | 334,678 | 0 | 334,678 |
| Operating Transfers In | 5,278 | 293,282 | 0 | 539,880 | 64,670 | 903,110 |
| Operating Transfers Out | (897,833) | 0 | 0 | (5,277) | 0 | (903,110) |
| TOTAL OTHER SOURCES & USES | (892,555) | 293,282 | 0 | 1,447,131 | 64,670 | 912,528 |
| EXCESS (DEFICIENCY) REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES | 2,841,905 | 0 | 54,542 | (6,637,170) | 188,919 | (3,551,804) |
| FUND BALANCES, BEGINNING OF YEAR | 22,937,959 | 0 | 810,399 | 4,129,337 | 460,606 | 28,338,301 |
| FUND BALANCES, END OF YEAR | \$ 25,779,864 | \$ 0 | \$ 864,941 | \$ (2,507,833) | \$ 649,525 | \$ 24,786,497 |

See notes to financial statements.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
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

| | TOTAL GOVERNMENTAL FUNDS | LONG-TERM REVENUE & EXPENSES | CAPITAL RELATED ITEMS | LONG-TERM DEBT TRANSACTIONS | RECLASSIFICATIONS & ELIMINATIONS | STATEMENT OF ACTIVITIES |
|--|--------------------------------|------------------------------------|-----------------------------|-----------------------------------|-------------------------------------|-------------------------------|
| <u>REVENUES</u> | | | | | | |
| Real Property Taxes | \$ 60,867,704 | \$ 0 | \$ 0 | \$ 0 | 0 | \$ 60,867,704 |
| Other Tax Items | 3,698,875 | 0 | 0 | 0 | 0 | 3,698,875 |
| Charges for Services | 2,608,118 | 0 | 0 | 0 | 0 | 2,608,118 |
| Use of Money & Property | 1,853,418 | 0 | 0 | 0 | 0 | 1,853,418 |
| Sale of Property & Compensation for Loss | 97,233 | 0 | 0 | 0 | 0 | 97,233 |
| Miscellaneous | 1,232,889 | 0 | 0 | 0 | 0 | 1,232,889 |
| State Sources | 32,618,663 | 0 | 0 | 0 | 0 | 32,618,663 |
| Federal Sources | 5,824,037 | 0 | 0 | 0 | 0 | 5,824,037 |
| Sales | 963,008 | 0 | 0 | 0 | 0 | 963,008 |
| TOTAL REVENUES | 109,763,945 | 0 | 0 | 0 | 0 | 109,763,945 |
| <u>EXPENDITURES</u> | | | | | | |
| General Support | 8,965,257 | 5,990 | 757,922 | 0 | 2,415,548 | 12,144,717 |
| Instruction | 64,190,351 | 23,960 | 3,426,468 | 0 | 22,037,616 | 89,678,395 |
| Pupil Transportation | 5,096,305 | 0 | 284,221 | 0 | 1,943,990 | 7,324,516 |
| Employee Benefits | 22,369,720 | 7,692,718 | 0 | 0 | (30,062,438) | 0 |
| Debt Service: | | | | | | |
| Principal | 3,661,260 | 0 | 0 | (3,661,260) | 0 | 0 |
| Interest | 815,417 | 16,570 | 0 | (235,452) | 0 | 596,535 |
| Cost of Sales | 1,045,664 | 0 | 47,369 | 0 | 264,383 | 1,357,416 |
| Capital Outlay | 8,084,303 | 0 | (11,485,204) | 0 | 3,400,901 | 0 |
| TOTAL EXPENDITURES | 114,228,277 | 7,739,238 | (6,969,224) | (3,896,712) | 0 | 111,101,579 |
| EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES | (4,464,332) | (7,739,238) | 6,969,224 | 3,896,712 | 0 | (1,337,634) |
| <u>OTHER SOURCES & USES</u> | | | | | | |
| Proceeds from Debt | 577,850 | 0 | 0 | (577,850) | 0 | 0 |
| BANs Redeemed from Appropriations | 334,678 | 0 | 0 | (334,678) | 0 | 0 |
| Operating Transfers In | 903,110 | 0 | 0 | 0 | (903,110) | 0 |
| Operating Transfers Out | (903,110) | 0 | 0 | 0 | 903,110 | 0 |
| TOTAL OTHER SOURCES & USES | 912,528 | 0 | 0 | (912,528) | 0 | 0 |
| NET CHANGE FOR THE YEAR | (3,551,804) | (7,739,238) | 6,969,224 | 2,984,184 | 0 | (1,337,634) |

See notes to financial statements.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023

| | <u>PRIVATE PURPOSE TRUSTS</u> | <u>CUSTODIAL</u> |
|---|---------------------------------------|-------------------|
| <u>ASSETS</u> | | |
| Cash | \$ 170,928 | \$ 216,423 |
| TOTAL ASSETS | <u>\$ 170,928</u> | <u>\$ 216,423</u> |
| <u>LIABILITIES & NET POSITION</u> | | |
| <u>LIABILITIES</u> | | |
| Due to Other Funds | \$ 340 | \$ 0 |
| TOTAL LIABILITIES | <u>340</u> | <u>0</u> |
| <u>NET POSITION</u> | | |
| Reserved for Individuals, Organizations and Other Governments | <u>170,588</u> | <u>216,423</u> |
| TOTAL LIABILITIES & NET POSITION | <u>\$ 170,928</u> | <u>\$ 216,423</u> |

See notes to financial statements.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

| | PRIVATE PURPOSE TRUSTS | CUSTODIAL |
|---------------------------------|------------------------------|------------|
| <u>ADDITIONS</u> | | |
| Gifts and Contributions | \$ 18,705 | \$ 0 |
| Extraclassroom Receipts | 0 | 404,388 |
| Investment Earnings | 806 | 0 |
| | <hr/> | <hr/> |
| TOTAL ADDITIONS | 19,511 | 404,388 |
| | <hr/> | <hr/> |
| <u>DEDUCTIONS</u> | | |
| Scholarships & Awards | 15,700 | 0 |
| Extraclassroom Disbursements | 0 | 399,507 |
| Other Expenses | 0 | 0 |
| | <hr/> | <hr/> |
| TOTAL DEDUCTIONS | 15,700 | 399,507 |
| | <hr/> | <hr/> |
| CHANGE IN NET POSITION | 3,811 | 4,881 |
| | <hr/> | <hr/> |
| NET POSITION, BEGINNING OF YEAR | 166,777 | 211,542 |
| | <hr/> | <hr/> |
| NET POSITION, END OF YEAR | \$ 170,588 | \$ 216,423 |
| | <hr/> | <hr/> |

See notes to financial statements.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES.

The financial statements of Warwick Valley Central School District (the “District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental 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. Where comparative amounts are presented, certain reclassifications may have been made to the prior year amounts so that they would be in conformity with the current year’s presentation. Significant accounting principles and policies utilized by the District are described below:

A. Reporting Entity

Warwick Valley Central School District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of 9 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. 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.

1. Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds have been included in this report. The District accounts for assets held as custodian for various student organizations in a custodial fund.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

B. Joint Venture

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

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

A BOCES' budget is comprised of separate budgets for administrative, program and capital costs. Each component 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 ended June 30, 2023, Warwick Valley Central School District was billed \$11,907,549 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$1,748,268. Financial statements for BOCES are available from the BOCES administrative office at 53 Gibson Road, Goshen, NY 10924.

C. Basis of Presentation

1. District-Wide Statements

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

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

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

C. Basis of Presentation (Continued)

2. Funds Statements

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

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

School Lunch Fund: This fund is used to account for the school lunch operations. The school lunch operation is supported by federal and state grants and charges participants for its services.

Capital Projects Fund: This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

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.

The District reports the following fiduciary funds:

Fiduciary Fund: Fiduciary activities are those in which the District acts as trustee or custodian for resources that belong to others. These activities are not included in the district-wide financial statements, because their resources do not belong to the District, and are not available to be used. There are two classes of fiduciary funds:

Private purpose trust funds: These funds are used to account for trust arrangements in which principal and income benefits annual third party awards and scholarships for students. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.

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

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

D. Measurement Focus and Basis of Accounting

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

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

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

E. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1 and became a lien on August 18, 2022. Taxes were collected by the District during the period September 1, 2022 through October 31, 2022.

Uncollected real property taxes are subsequently enforced by the County of Orange in which the District is located. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than the following April 1.

F. Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net position is 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 expenditure and revenues to provide financing or other services.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

G. Interfund Transactions (Continued)

In the district-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the fiduciary 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 10 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

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.

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 United States and its agencies and obligations of the State and its municipalities and Districts.

J. Accounts Receivable

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

K. Leases Receivable

Leases receivable are recorded at the net present value of the lease, with a corresponding deferred inflow of resources.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

L. Inventories and Prepaid Items

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

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

M. Other Assets/Restricted Assets

Certain proceeds from serial bonds and bond anticipation notes, as well as resources set aside for their repayment are classified as restricted assets in the district-wide financial statements and their use is limited by applicable bond covenants.

N. Capital Assets

Capital assets are reported at cost for acquisitions. For assets acquired prior to June 30, 2002, estimated historical costs based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

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 Threshold</u> | <u>Depreciation Method</u> | <u>Estimated Useful Life</u> |
|----------------------------|-------------------------------------|--------------------------------|----------------------------------|
| Land Improvements | \$ 5,000 | Straight Line | 20 years |
| Buildings and Improvements | 5,000 | Straight Line | 20 - 50 years |
| Furniture and Equipment | 5,000 | Straight Line | 5 - 15 years |
| Vehicles | 5,000 | Straight Line | 8 years |

O. Right to Use Assets

A right of use asset is a lessee's right to use an asset over the life of the lease. Right to use assets are reported at present value.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

P. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has three items that qualify for reporting in this category. The first is related to pensions reported in the district-wide Statement of Net Position and represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second deferred outflow is related to other postemployment benefits reported in the Statement of Net Position. The third deferred outflow is related to deferred charges associated with a bond refunding.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. The first item is related to pensions reported in the district – wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension 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 is related to other postemployment benefits reported in the Statement of Net Position. The third is related to deferred lease revenue.

Q. Unavailable/Unearned Revenue

Unavailable revenues are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues arise when the District receives resources before it has legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for unearned/unavailable revenues is removed and revenues are recorded.

Statute provides the authority for the District to levy taxes to be used to finance expenditures within the first 120 days of the succeeding year. Consequently, such amounts are recognized as revenue in the subsequent year, rather than when measurable and available.

Unavailable revenues recorded in governmental funds are typically adjusted and not included in the district-wide statements.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

R. Vested Employee Benefits

1. Compensated Absences

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

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

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

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

2. Other Benefits

District employees participate in the New York State Employees' Retirement System and the New York State Teachers' 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 provisions of various employment contracts in effect at the time of retirement. Substantially all of the District's full-time 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.

S. 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 RAN's and TAN's represent a liability that will be extinguished by the use of expendable, available resources of the fund.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

S. Short-Term Debt (Continued)

The District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any 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 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. State law requires that BAN's issued for capital purposes are converted to long-term financing within five years after the original issue date.

The District may issue deficiency notes up to an amount not to exceed 5% of the amount of that same year's annual budget in any fund or funds arising from revenues being less than the amount estimated in the budget for that fiscal year. The deficiency notes may mature no later than the close of the fiscal year following the fiscal year in which they were issued. However, they may mature no later than the close of the second fiscal year after the fiscal year in which they were issued, if the notes were authorized and issued after the adoption of the budget for the fiscal year following the year in which they were issued.

T. Accrued Liabilities and Long-Term Obligations

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

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

U. Equity Classifications

1. District-Wide Statements

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

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

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

U. Equity Classifications (Continued)

1. District-Wide Statements (Continued)

Restricted net position – reports net position when constraints placed on the position 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 all other net position that does not meet the definition of the above two classifications and are deemed to be available for general use by the District.

2. Fund Statements

In the governmental fund statements, there are five classifications of fund balance:

Nonspendable: Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Nonspendable fund balance includes inventory in the School Lunch Fund of \$69,113.

Restricted: Constraints have been imposed on the use of these amounts either (a) externally by creditors, grantors, contributors or laws or regulations of other governments; or (b) by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General Fund are classified as restricted fund balance. The District has established the following restricted fund balances:

Capital Reserve

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

Unemployment Insurance Reserve

Unemployment Insurance Reserve (GML §6-m) is 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 year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding 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.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

U. Equity Classifications (Continued)

2. Fund Statements (Continued)

Tax Certiorari Reserve

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

Employee Benefit Accrued Liability Reserve

Reserve for Employee Benefit Accrued Liability (GML §6-p) is used to reserve funds 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. The reserve is accounted for in the General Fund.

Workers' Compensation

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

Retirement Contribution Reserve

Retirement Contribution Reserve (GML §6-r) is used for the purpose of financing retirement contributions to the Employees Retirement System (ERS). This reserve is established by Board resolution and is funded by budgetary appropriation and such other reserves 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. The 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 Teacher's Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund 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.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

U. Equity Classifications (Continued)

2. Fund Statements (Continued)

Repair Reserve

Repair Reserve (GML §6-d) must be used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education, without voter approval, may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. 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.

Restricted fund balance at June 30, 2023 consisted of:

General Fund:

| | |
|--|-----------------------------|
| Capital Reserve | \$ 2,654,579 |
| Repair Reserve | 1,022,011 |
| Workers' Compensation Reserve | 1,187,579 |
| Unemployment Insurance Reserve | 539,637 |
| Tax Certiorari Reserve | 1,342,291 |
| Employee Benefit Accrued Liability Reserve | 3,195,855 |
| Retirement Contribution Reserve - ERS | 3,710,614 |
| Retirement Contribution Reserve - TRS | 2,162,105 |
| School Lunch Fund | 795,828 |
| Debt Service Fund | 649,525 |
| Total Restricted Fund Balance | <u><u>\$ 17,260,024</u></u> |

Committed: Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Education. The District did not classify any of its fund balance as committed as of June 30, 2023.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

U. Equity Classifications (Continued)

2. Fund Statements (Continued)

Assigned: Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Assigned fund balance includes (a) all remaining amounts (except for negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed and (b) amounts in the General Fund that are intended to be used for a specific purpose. By reporting particular amounts that are not restricted or committed in the governmental funds other than the General Fund, the District has assigned those amounts to the purposes of the respective funds. Assigned fund balance in the General Fund includes \$4,189,234 assigned for specific purposes through the issuance of purchase orders that encumbered the budget for the year ended June 30, 2024. This assignment is made when purchase orders are approved by the Purchasing Agent who is designated each year by the Board of Education at its annual reorganizational meeting pursuant to the District's purchasing policy. Assigned fund balance in the General Fund also includes \$1,400,000 assigned to be used to reduce the tax levy for the year ending June 30, 2024. This assignment is made when the tax levy is set by the Board of Education pursuant to the District's annual budget policy.

| | |
|---|----------------------------|
| Encumbrances | \$ 4,189,234 |
| Appropriated to Reduce Subsequent Year's Tax Levy | <u>1,400,000</u> |
| Total Assigned Fund Balance | <u><u>\$ 5,589,234</u></u> |

Unassigned: Includes fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, negative unassigned fund balance is reported.

Order of Use of Fund Balance:

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District considers that committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

Limitation on Unexpended Surplus Funds:

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

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

V. New Accounting Standards

GASB has issued Statement 91, *Conduit Debt Obligations*, which will provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The District has implemented Statement 91 as required.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which will improve financial reporting by establishing the definitions of public-public partnership arrangements (PPPs) and availability payment arrangements (APAs) and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs. The District has implemented Statement 94 as required.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which will improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. The District has implemented Statement 96 as required.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

W. Future Changes in Accounting Standards

GASB has issued Statement 99, *Omnibus 2023*, the objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2024 financial statements.

GASB has issued Statement 100, *Accounting Changes and Error Corrections-An Amendment of GASB Statement No. 62*, the primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2024 financial statements.

GASB has issued Statement 101, *Compensated Absences*, the objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2025 financial statements.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS.

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the Statement of Activities, 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 additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets.

1. The costs of building and acquiring capital assets (land, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, with their original costs capitalized and depreciation expensed annually over their useful lives. The balances at June 30, 2023 were as follows:

| | |
|---------------------------------|----------------------|
| Original Cost of Capital Assets | \$ 179,992,702 |
| Accumulated Depreciation | <u>(88,860,823)</u> |
| | <u>\$ 91,131,879</u> |

2. The cost of right to use assets (equipment) financed from governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position includes those right to use assets among the assets of the District as a whole, with the present value capitalized and amortization expensed annually of the period of use. The balances at June 30, 2023 are as follows:

| | |
|--------------------------------------|--------------------|
| Original Cost of Right of Use Assets | \$ 1,524,520 |
| Accumulated Amortization | <u>(1,080,343)</u> |
| | <u>\$ 444,177</u> |

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS. (Continued)

3. Interest is accrued in the Statement of Net Position, regardless of when it is due. This liability does not appear on the Balance Sheet because interest is expensed when it is due, and thus requires the use of current financial resources. This liability at June 30, 2023 was as follows:

| | |
|--------------------------|------------|
| Accrued Interest Payable | \$ 117,301 |
|--------------------------|------------|

4. Long-term liabilities and related deferred inflows and outflows are reported in the Statement of Net Position, but not in the Balance Sheet, because the liabilities are not due and payable in the current period. The balances at June 30, 2023 were as follows:

| | |
|-------------------------------|-----------------------|
| Bonds Payable | \$ 16,421,651 |
| Installment Purchase Debt | 5,787,635 |
| Compensated Absences | 153,497 |
| Lease Liability | 394,470 |
| Other Postemployment Benefits | 200,462,200 |
| Deferred Outflows - OPEB | (31,468,369) |
| Deferred Inflows - OPEB | 46,072,036 |
| | <u>\$ 237,823,120</u> |

5. Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The balance at June 30, 2023 was as follows:

| | |
|-------------------------------|-----------|
| Deferred Charges on Refunding | \$ 26,092 |
|-------------------------------|-----------|

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS. (Continued)

6. In the Statement of Net Position, a liability is recognized for the District's proportionate share of the net pension liability attributable to each defined benefit pension plan in which the District participates. A net pension liability is measured as the proportionate share of the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service (proportionate share of total pension liability), net of the proportionate share of that pension plan's fiduciary net position. If a pension plan's fiduciary net position exceeds its total pension liability, the District's proportionate share of the pension plan's net pension asset is recognized. Also, deferred outflows and inflows of resources related to pensions primarily resulting from contributions subsequent to the measurement date and changes in the components of the net pension liability or asset are recorded. However, none of these amounts are included on the Balance Sheet as they are only recognized to the extent the pension liability is normally expected to be liquidated with expendable available financial resources. These balances at June 30, 2023 were as follows:

| | |
|--|------------------------|
| Deferred Outflows of Resources - Pension | \$ (25,351,329) |
| Net Pension Liability, Proportionate Share (ERS & TRS) | 10,000,780 |
| Deferred Inflows of Resources - Pension | <u>2,391,249</u> |
| | <u>\$ (12,959,300)</u> |

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

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

1. Long-Term Revenue Differences

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

2. Capital Related Differences

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

3. Long-Term Debt Transaction Differences

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

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS. (Continued)

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities:
(Continued)

4. Pension Plan Related Differences

Pension plan transaction 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.

5. Other Postemployment Benefit (OPEB) Related 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.

Explanation of Differences between Governmental Funds Operating Statement
and the Statement of Activities

Total Revenues and Other Funding Sources

| | |
|---|-----------------------|
| Total revenues and other funding sources reported in Governmental Funds (Schedule 5) | \$ 111,579,582 |
| BANS Redeemed from Appropriations | (334,678) |
| Proceeds from long-term debt is recognized as an other funding source in the governmental funds, but increases liabilities in the Statement of Net Assets, and does not affect the Statement of Activities. | (577,850) |
| Operating transfers from other funds are recognized as an other funding source in the governmental fund statements, but are eliminated in the Statement of Activities. | <u>(903,109)</u> |
| Total revenues in the Statement of Activities (Schedule 2) | <u>\$ 109,763,945</u> |

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS. (Continued)

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities:
(Continued)

Explanation of Differences between Governmental Funds Operating Statement
and the Statement of Activities

Total Expenditures & Other Uses/Expenses

| | |
|--|----------------|
| Total expenditures and other uses reported in Governmental Funds (Schedule 5) | \$ 115,131,387 |
| When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital expenditures of \$11,485,204 were more than depreciation of \$4,737,010. | (6,748,194) |
| When the lease of right to use assets are financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are paid for. However, in the statement of Activities, the present value of those assets is capitalized and the expense is allocated over the period of use and reported as amortization expense. This is the amount by which amortization of \$356,820 was less than the present value of the right to use assets of \$577,850 purchased in the current year. | (221,030) |
| In the Statement of Activities, certain operating expenses (compensated absences and special termination benefits) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This is the amount by which compensated absences used during the year exceeded the amount earned. | 29,950 |
| In the Statement of Activities, the expense for other postemployment benefits (OPEB) includes changes in the OPEB liability such as service cost, interest cost, and changes in benefit terms, as well as amortization of deferred outflows of resources and deferred inflows of resources related to OPEB. In the governmental funds, however, OPEB expenditures are measured by the amount of financial resources used (essentially the amounts actually paid). This is the amount by which OPEB expense in the Statement of Activities exceeded the amount of financial resources used during the year. | 5,020,358 |
| Interest payable is recognized as an accrued liability in the entity wide statements under full accrual accounting whereas it is not under the governmental fund statements. This is the amount by which interest payable this year exceeds the interest payable last year. | 16,570 |

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS. (Continued)

Explanation of Differences between Governmental Funds Operating Statement
and the Statement of Activities

| | |
|--|------------------------------|
| Payment of lease principal is an expenditure in the governmental funds, but does reduce liabilities in the Statement of Net Position, and does affect the Statement of Activities. | (360,729) |
| Repayment of bond and installment debt principal is an expenditure in the governmental funds, but reduces liabilities in the Statement of Net Position, and does not affect the Statement of Activities and Changes in Net Position. | (3,300,531) |
| Premiums and discounts on long-term debt issuances and deferred amounts from debt refunding are recognized in the fiscal year in which the transactions occur in the governmental fund statements. These amounts are amortized in the Statement of Activities. This is the net amount that was amortized during the fiscal year. | (235,452) |
| (Increases) decreases in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds. (TRS of \$1,300,845 and ERS of \$1,371,515). | 2,672,360 |
| Operating transfers to other funds are recognized as other uses of funds in the governmental fund statements, but are eliminated in the Statement of Activities. | <u>(903,110)</u> |
| Total expenses in the Statement of Activities (Schedule 2) | <u><u>\$ 111,101,579</u></u> |

NOTE 3. STEWARDSHIP AND COMPLIANCE.

A. Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the following governmental funds 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 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 the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law).

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3. STEWARDSHIP AND COMPLIANCE. (Continued)

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. Supplemental appropriations that occurred during the year are shown on Supplemental Schedule #5. Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year.

Budgets are established and used for individual capital 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 years until the completion of the projects.

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

B. Encumbrances

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as restrictions 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.

NOTE 4. CASH – CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE, FOREIGN CURRENCY RISKS AND INVESTMENT POOL.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. While the District does not have a specific policy for custodial credit risk, New York State statutes govern the District's investment policies, as discussed previously in these Notes.

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 | \$ 0 |
| Insured | \$ 750,000 |
| Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name | \$ 39,994,165 |

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 \$24,324,260 within the governmental funds.

The District does not typically purchase investments for a long enough duration to cause it to believe that it is exposed to any material interest rate risk. The District also does not typically purchase investments denominated in a foreign currency, and is not exposed to foreign currency risk.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5. CAPITAL ASSETS.

Capital asset balances and activity for the year ended June 30, 2023, were as follows on the next page:

| | Beginning Balance | Additions | Retirements/ Reclassifications | Ending Balance |
|---|----------------------|--------------|-----------------------------------|-------------------|
| Governmental activities: | | | | |
| Capital assets that are not depreciated: | | | | |
| Land | \$ 1,014,654 | \$ 0 | \$ 0 | \$ 1,014,654 |
| Construction in Progress | 663,080 | 9,887,593 | 0 | 10,550,673 |
| Total Nondepreciable Assets | 1,677,734 | 9,887,593 | 0 | 11,565,327 |
| Capital assets that are depreciated: | | | | |
| Buildings and Improvements | 140,410,722 | 645,788 | 0 | 141,056,510 |
| Furniture & Equipment | 18,231,363 | 306,749 | (9,242) | 18,528,870 |
| Vehicles | 8,397,007 | 645,074 | (200,086) | 8,841,995 |
| Total Depreciable Assets | 167,039,092 | 1,597,611 | (209,328) | 168,427,375 |
| Less: Accumulated Depreciation | (84,333,141) | (4,737,010) | 209,328 | (88,860,823) |
| Capital Assets, Net | \$84,383,685 | \$ 6,748,194 | \$ 0 | \$ 91,131,879 |

Depreciation expense was charged to governmental functions as follows:

| | |
|----------------------|---------------------|
| General Support | \$ 757,922 |
| Instruction | 3,647,498 |
| Transportation | 284,221 |
| School Lunch Program | 47,369 |
| Total Depreciation | <u>\$ 4,737,010</u> |

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6. RIGHT TO USE ASSETS.

Right to use asset balances and activity for the year ended June 30, 2023 were as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Retirements/ Reclassifications</u> | <u>Ending Balance</u> |
|--|------------------------------|-------------------|---|---------------------------|
| Governmental activities | | | | |
| Right to use assets that are amortized: | | | | |
| Equipment | \$ 946,670 | \$ 577,850 | \$ 0 | \$ 1,524,520 |
| Less: Accumulated Amortization | <u>(723,523)</u> | <u>(356,820)</u> | <u>0</u> | <u>(1,080,343)</u> |
| Right To Use Assets, Net | <u>\$ 223,147</u> | <u>\$ 221,030</u> | <u>\$ 0</u> | <u>\$ 444,177</u> |

Amortization expense was charged to governmental functions as follows:

| | |
|--------------------|-------------------|
| Instruction | <u>\$ 356,820</u> |
| Total Amortization | <u>\$ 356,820</u> |

NOTE 7. LEASES.

District as Lessor

The District, as lessor, has entered into several lease agreements involving building space. Lease terms range from 2 to 10 years. The District reported lease revenue of \$736,714 and interest revenue of \$50,077. At year end the amount of deferred inflows of resources for leases was \$1,208,036.

District as Lessee

Lease agreements are summarized as follows:

| Description | Date | Payment Terms | Payment Amount | Interest Rate | Balance June 30, 2023 |
|-------------------------------|-----------|------------------|-------------------|------------------|--------------------------|
| BOCES IPA #11 | 8/22/2022 | 36 months | \$ 14,107 | 3.98% | \$ 319,043 |
| Municipal Equipment Lease - 3 | 6/22/2023 | 36 months | 3,526 | 8.03% | 75,427 |
| | | | | | <u>\$ 394,470</u> |

The District, as a lessee, has entered into lease agreements with Orange Ulster BOCES, for copiers and IT equipment.

Annual requirements to amortize long-term obligations and related interest are as follows:

| For the Year Ended June 30, | <u>Leases Payable</u> | |
|-----------------------------|-----------------------|------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2024 | \$ 192,611 | \$ 18,989 |
| 2025 | 201,859 | 9,739 |
| | <u>\$ 394,470</u> | <u>\$ 28,728</u> |

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8. SHORT-TERM LIABILITIES.

Liabilities for bond anticipation notes (BAN's) are generally accounted for in the Capital Projects Fund. The notes or renewal thereof may not extend more than five years beyond the original date of issue unless a portion is redeemed within five years and within each twelve-month period thereafter. For short-term financing, the Warwick Valley Central School District redeems (pays down) one-fifth (1/5) of the original BAN borrowing.

State law requires that BAN's issued for capital purposes are converted to long-term obligations within five years after the original issue date. However, BAN's issued for assessable improvement projects may be renewed for period's equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made. As of June 30, 2023, two bond anticipation notes (BAN) was outstanding for \$9,671,521. These temporary funds were borrowed to assist with financing ongoing bus purchases and construction projects.

The following is a summary of Warwick Valley Central School District's outstanding bond anticipation notes at June 30, 2023.

| | Beginning Balance | Issued | Paid/ Redeemed | Ending Balance |
|-----------------------|----------------------|--------------|-------------------|-------------------|
| BAN'S | \$ 859,045 | \$13,671,521 | \$ 4,859,045 | \$ 9,671,521 |
| Total Short-Term Debt | \$ 859,045 | \$13,671,521 | \$ 4,859,045 | \$ 9,671,521 |

Interest in short-term debt paid during the year was:

| | |
|--|------------|
| Interest Paid | \$ 104,163 |
| Less: Interest Accrued in the Prior Year | (2,503) |
| Plus: Interest Accrued in the Current Year | 30,480 |
| Interest Expense | \$ 132,140 |

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9. LONG-TERM LIABILITIES.

Long-term liability balances and activity for the year ended June 30, 2023 are summarized below:

| | Beginning Balance | Issued | Paid/ Redeemed | Ending Balance | Amounts Due Within One Year |
|----------------------------------|----------------------|---------------|-------------------|-------------------|-----------------------------------|
| Governmental Activities: | | | | | |
| Bonds and Notes Payable: | | | | | |
| Bonds Payable* | \$ 18,927,140 | \$ 0 | \$ 2,505,489 | \$ 16,421,651 | \$ 564,100 |
| Installment Purchase Debt | 6,528,488 | 0 | 740,853 | 5,787,635 | 461,301 |
| Lease Liability | 177,349 | 577,850 | 360,729 | 394,470 | 192,611 |
| Total Bonds and Notes Payable | 25,632,977 | 577,850 | 3,607,071 | 22,603,756 | 1,218,012 |
| Other Liabilities: | | | | | |
| Compensated Absences | 123,547 | 29,950 | 0 | 153,497 | 0 |
| Other Postemployment Benefits | 235,609,346 | 20,257,953 | 55,405,099 | 200,462,200 | 0 |
| Net Pension Liability | 0 | 10,000,780 | 0 | 10,000,780 | |
| Total Other Liabilities | 235,732,893 | 30,288,683 | 55,405,099 | 210,616,477 | 0 |
| Total Long-Term Liabilities | \$ 261,365,870 | \$ 30,866,533 | \$ 59,012,170 | \$ 233,220,233 | \$ 1,218,012 |

* At June 30, 2023, the Bonds Payable includes unamortized premiums of \$781,651. This amount is being amortized over the life of the debt issuance to which it relates.

The General Fund has typically been used to liquidate long-term liabilities such as compensated absences. Activity for compensated absences is shown at net due to the impracticality of determining these amounts separately. Activity for Other Postemployment Benefits and Net Pension Liability have also been shown as net figures.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9. LONG-TERM LIABILITIES. (Continued)

The following is a summary of maturing debt service requirements:

| For the Year Ended June 30, | Bonds and Notes Payable | | Other Liabilities | |
|-----------------------------|-------------------------|---------------------|---------------------|-------------------|
| | Principal | Interest | Principal | Interest |
| 2024 | 1,570,000 | 459,525 | 764,072 | 147,052 |
| 2025 | 1,600,000 | 424,400 | 667,666 | 124,162 |
| 2026 | 1,495,000 | 370,600 | 686,830 | 106,530 |
| 2027 | 1,480,000 | 321,050 | 706,221 | 88,396 |
| 2028 | 1,115,000 | 272,200 | 726,845 | 69,742 |
| 2029 – 2033 | 5,735,000 | 821,850 | 2,236,000 | 142,764 |
| 2034 – 2038 | 2,645,000 | 152,950 | 0 | 0 |
| TOTAL | <u>\$ 15,640,000</u> | <u>\$ 2,822,575</u> | <u>\$ 5,787,635</u> | <u>\$ 678,646</u> |

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

| | |
|---|-------------------|
| Interest paid | \$ 815,417 |
| Less: Interest accrued in the prior year | (98,228) |
| Less: Amortization of premium and deferred amount | (235,452) |
| Plus: Interest accrued in the current year | <u>86,821</u> |
| Total interest expense | <u>\$ 568,558</u> |

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10. PENSION PLANS.

Pension Obligations

New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems).

Plan Description & Benefits Provided

Employees' Retirement System Plan Description

The District participates in the New York State and Local Employees' Retirement System (ERS). ERS and the New York State and Local Police and Fire Retirement System (PFRS) which are collectively referred to as New York State and Local Retirement System (the ERS System). These are cost-sharing multiple-employer defined benefit retirement systems. The net position of the ERS System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all assets and record changes in fiduciary net position allocated to the ERS System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007.

In November, 2022, he was elected for a new term commencing January 1, 2023. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). 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. Separately issued financial statements for the System can be accessed on the Comptroller's website at www.osc.state.ny.us/retire/about_us/financial_statements_index.php.

Teachers' Retirement System Plan Description

The New York State Teachers Retirement System (the TRS System) was created and exists pursuant to Article 11 of the New York State Education Law. The System is the administrator of a cost-sharing, multiple-employer public employee retirement system (PERS), administered by a 10-member Board to provide pension and ancillary benefits to teachers employed by participating employers in the State of New York, excluding New York City. For additional Plan information please refer to the NYSTRS Comprehensive Annual Financial Report which can be found on the System's website located at www.nystrs.org.

ERS Benefits Provided

The ERS System provides retirement benefits as well as death and disability benefits.

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 1 members who joined on or after June 17, 1971, each year used in the final average salary calculation is limited to no more than 20 percent of greater than the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent greater than the average of the previous two years.

Tiers 3, 4, and 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with 10 or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 3, 4 and 5 members, each year of final average salary calculation is limited to no more than 10 percent greater than the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members and 62 for PFRS members.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied 1 for each year of service over 20 years. Tier 6 members with 10 or more years of service can retire as early as age 55 with reduced benefits.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10 percent greater than the average of the previous four years.

Special Plans

The 25-Year Plans allow a retirement after 25 years of service with a benefit of one-half of final average salary, and the 20-Year Plans allow a retirement after 20 years of service with a benefit of one-half of final average salary. These plans are available to certain PFRS members, sheriffs, and correction officers.

Disability Retirement Benefits

Disability retirement benefits are available to ERS and PFRS members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits. Eligibility, benefit amounts, and other rules such as any offsets or other benefits depend on a members' tier, years of service, and plan.

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for 10 years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or exceed 3 percent.

TRS Benefits Provided

The benefits provided to members of the TRS System are established by New York State law and may be amended only by the Legislature with the Governor's approval. Benefit provisions vary depending on date of membership and are subdivided into the following six classes:

Tier 1

Members who last joined prior to July 1, 1973 are covered by the provisions of Article 11 of the Education Law.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10. PENSION PLANS. (Continued)

TRS Benefits Provided (Continued)

Tier 2

Members who last joined on or after July 1, 1973 and prior to July 27, 1976 are covered by the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law (RSSL).

Tier 3

Members who last joined on or after July 27, 1976 and prior to September 1, 1983 are covered by the provisions of Article 14 and Article 15 of the RSSL.

Tier 4

Members who last joined on or after September 1, 1983 and prior to January 1, 2010 are covered by the provisions of Article 15 of the RSSL.

Tier 5

Members who joined on or after January 1, 2010 and prior to April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

Tier 6

Members who joined on or after April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

Service Retirements

Tier 1 members are eligible, beginning at age 55, for a service retirement allowance of approximately 2% per year of credit service times final average salary.

Under Article 19 of the RSSL, eligible Tiers 1 and 2 members can receive additional service credit of one-twelfth of a year for each year of retirement credit as of the date of retirement or death up to a maximum of two additional years.

Tiers 2 through 5 are eligible for the same but with the following limitations: (1) Tiers 2 through 4 members receive an unreduced benefit for retirement at age 62 or retirement at ages 55 through 61 with 30 years of service or a reduced benefit for retirement at ages 55 through 61 with less than 30 years of service. (2) Tier 5 members receive an unreduced benefit for retirement at age 62 or retirement at ages 57 through 61 with 30 years of service. They receive a reduced benefit for retirement at ages 55 and 56 regardless of service credit, or ages 57 through 61 with less than 30 years of service.

Tier 6 members are eligible for a service retirement allowance of 1.75% per year of credited service years of service plus 2% per year for years of service in excess of 20 years times final average salary. Tier 6 members receive an unreduced benefit for retirement at age 63. They receive a reduced benefit at ages 55 through 62 regardless of service credit.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10. PENSION PLANS. (Continued)

TRS Benefits Provided (Continued)

Vested Benefits

Retirement benefits after 5 years of credited service except for Tiers 5 and 6 where 10 years of credited service are required. Benefits are payable at age 55 or greater with the limitations noted for service requirements above.

Disability Retirement

Members are eligible for disability retirement benefits after 10 years of credited New York State service except for Tier 3 where disability retirement is permissible after 5 years of credited New York State service pursuant to the provisions of Article 14 of the RSSL. The Tier 3 benefit is integrated with Social Security.

Death Benefits

Death benefits are paid to the beneficiary of active members who die in service. The benefit is based on final salary and the number of years of credited service.

Prior Service

After 2 years of membership, members of all tiers may claim and receive credit for prior New York State public or teaching service. Only Tiers 1 and 2 members may, under certain conditions, claim out of state service.

Tier Reinstatement

In accordance with Chapter 640 of the Laws of 1998, any active member who had a prior membership may elect to be reinstated to their original date and Tier of membership.

Permanent Cost of Living Adjustment (COLA)

Section 532-a of the Education Law provides a permanent cost-of-living benefit to both current and future retired members. This benefit will be paid commencing September of each year to retired members who have attained age 62 and have been retired for 5 years or attained age 55 and have been retired for 10 years. Disability retirees must have been retired for 5 years, regardless of age, to be eligible. The annual COLA percentage is equal to 50% of the increase in the consumer price index (CPI) not to exceed 3% nor be lower than 1%. It is applied to the \$18,000 of the maximum annual benefit. The applicable percentage payable beginning September 2022 is 3.0%.

Members who retired prior to July 1, 1970 are eligible for a minimum benefit of seventeen thousand five hundred dollars for 35 years of credited full-time New York State service. Certain members who retire pursuant to the provisions of Article 14 of the RSSL are eligible for automatic cost-of-living supplementation based on the increase in the consumer price index (CPI) with a maximum per annum increase of 3%.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10. PENSION PLANS. (Continued)

Contributions

The Systems are noncontributory except for employees who joined the New York State and Local Employees' Retirement System 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 to 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determines rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law.

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

| <u>Year</u> | <u>NYSTRS</u> | <u>NYSERS</u> |
|-------------|---------------|---------------|
| 2022 – 2023 | \$ 3,510,021 | \$ 1,082,614 |
| 2021 – 2022 | 3,150,036 | 1,448,951 |
| 2020 – 2021 | 3,185,420 | 1,343,206 |

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

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

At June 30, 2023, the District reported the following asset/(liability) for its proportionate share of the net pension liability/(asset) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2023 for ERS and June 30, 2022 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. 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 ERS and TRS Systems in reports provided to the District.

At March 31, 2023, the District's proportion of the NYSERS net pension asset/(liability) was .0285449%, which is an increase of .0028311% from its proportion measured as of March 31, 2022.

At June 30, 2022, the District's proportion of the NYSTRS net pension asset/(liability) was .202179%, which was a increase of .007437% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$2,446,702 and \$4,983,464 for ERS and TRS, respectively. At June 30, 2023, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources which are summarized on the next page:

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10. PENSION PLANS. (Continued)

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

| | <u>Deferred Outflows of Resources</u> | | |
|--|---------------------------------------|----------------------|----------------------|
| | <u>ERS</u> | <u>TRS</u> | <u>Total</u> |
| Differences between expected and actual experience | \$ 651,654 | \$ 4,065,323 | \$ 4,716,977 |
| Changes of Assumptions | 2,972,843 | 7,525,755 | 10,498,598 |
| Net difference between projected and actual earnings on pension plan investments | 0 | 5,012,802 | 5,012,802 |
| Changes in proportion and difference between the District's contributions and proportionate share of contributions | 767,479 | 313,366 | 1,080,845 |
| District's contributions subsequent to the measurement date | <u>381,809</u> | <u>3,660,298</u> | <u>4,042,107</u> |
| Total | <u>\$ 4,773,785</u> | <u>\$ 20,577,544</u> | <u>\$ 25,351,329</u> |

| | <u>Deferred Inflows of Resources</u> | | |
|--|--------------------------------------|---------------------|---------------------|
| | <u>ERS</u> | <u>TRS</u> | <u>Total</u> |
| Differences between expected and actual experience | \$ 171,906 | \$ 77,740 | \$ 249,646 |
| Changes of Assumptions | 32,855 | 1,562,810 | 1,595,665 |
| Net difference between projected and actual earnings on pension plan investments | 35,962 | 0 | 35,962 |
| Changes in proportion and difference between the District's contributions and proportionate share of contributions | 117,755 | 392,221 | 509,976 |
| District's contributions subsequent to the measurement date | <u>0</u> | <u>0</u> | <u>0</u> |
| Total | <u>\$ 358,478</u> | <u>\$ 2,032,771</u> | <u>\$ 2,391,249</u> |

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10. PENSION PLANS. (Continued)

| Year Ended: | <u>ERS</u> | <u>TRS</u> |
|-------------|-------------|----------------|
| 2023 | \$ 0 | \$ (2,955,607) |
| 2024 | (1,054,883) | (1,529,915) |
| 2025 | 118,166 | 638,074 |
| 2026 | (1,373,098) | (9,818,142) |
| 2027 | (1,723,984) | (1,201,557) |
| Thereafter | 0 | (17,327) |

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. Significant actuarial assumptions used in the valuations were as follows:

| | <u>ERS</u> | <u>TRS</u> |
|--------------------------------------|---|--|
| Measurement Date | March 31, 2023 | June 30, 2022 |
| Inflation Rate | 2.90% | 2.40% |
| Projected Salary Increases | 4.4% | 1.95% - 5.18% Rates of increase differ based on age and gender. Calculations have been based upon recent NYSTRS member experience |
| Projected Cost of Living Adjustments | 1.3%, compounded annually | 1.3%, compounded annually |
| Investment Rate of Return | 5.90% compounded annually, net of investment expense including inflation | 6.95% compounded annually, net of pension plan investment expense including inflation |
| Decrement Tables | Actual experience study for the period April 1, 2015 through March 31, 2020 | Actual experience study for the period July 1, 2015 through June 30, 2020 |
| Mortality Improvement | Society of Actuaries Scale MP-2021 | Society of Actuaries Scale MP-2021 |

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10. PENSION PLANS. (Continued)

The long term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return (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 Expected Real Rates of Return are presented by asset allocation classification, which differ from the financial statement presentation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

| Measurement Date | ERS | |
|----------------------------------|-------------------|---|
| | March 31, 2023 | |
| | Target Allocation | Long-term expected real rate of return* |
| Asset Class: | | |
| Domestic Equity | 32% | 4.30% |
| International Equity | 15% | 6.85% |
| Private Equity | 10% | 7.50% |
| Real Estate | 9% | 4.60% |
| Opportunistic/ARS Portfolio | 3% | 5.38% |
| Credit | 4% | 5.43% |
| Real Assets | 3% | 5.84% |
| Fixed Income | 23% | 1.50% |
| Cash | 1% | 0.00% |
| Total | 100% | |
| Measurement Date | TRS | |
| | June 30, 2022 | |
| | Target Allocation | Long-term expected real rate of return* |
| Asset Class: | | |
| 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 | 1% | 5.30% |
| Real Estate Debt | 7% | 2.40% |
| High-Yield Bonds | 1% | 3.30% |
| Cash Equivalents | 1% | -0.30% |
| | 100% | |

*Real rates of return are net of long-term inflation assumptions of 2.50% for ERS and 2.40% for TRS

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10. PENSION PLANS. (Continued)

Discount Rate

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

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.90% for ERS and 6.95% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage-point lower (4.90% for ERS and 5.95% for TRS) or 1-percentage-point higher (6.90% for ERS and 7.95% for TRS) than the current rate:

| | 1% Decrease 4.90% | Current Assumption 5.90% | 1% Increase 6.90% |
|--|-------------------------|--------------------------------|-------------------------|
| <u>ERS</u> | | | |
| Employer's Proportionate Share of the Net Pension Asset/(Liability) | \$ (14,792,283) | \$ (6,121,187) | \$ 1,124,523 |
| | | | |
| | 1% Decrease 5.95% | Current Assumption 6.95% | 1% Increase 7.95% |
| <u>TRS</u> | | | |
| Employer's Proportionate Share of the Net Pension Asset/(Liability) | \$ (35,771,668) | \$ (3,879,593) | \$ 22,941,433 |

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of the respective measurements dates were as follows:

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

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10. PENSION PLANS. (Continued)

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2023 represent the projected employer contributions for the period of April 1, 2022 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 \$381,809.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2023 are paid to the System in September, October and November 2021 through state aid intercept. Accrued retirement contributions as of June 30, 2023 represent employee and employer contributions for the fiscal year ended June 30, 2023 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS system. Accrued retirement contributions as of June 30, 2023 amounted to \$4,032,111.

NOTE 11. INTERFUND BALANCES AND ACTIVITY.

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

| | Interfund | | Interfund | |
|-------------------------------|---------------------|---------------------|-------------------|-------------------|
| | Receivable | Payable | Revenues | Expenditures |
| General Fund | \$ 1,984,420 | \$ 1,033,611 | \$ 5,278 | \$ 897,833 |
| Special Aid Fund | 686,375 | 1,646,463 | 293,282 | 0 |
| School Lunch Fund | 27,515 | 56,735 | 0 | 0 |
| Capital Fund | 74,487 | 209,724 | 539,880 | 5,277 |
| Debt Service Fund | 174,597 | 521 | 64,670 | 0 |
| Total Governmental Activities | 2,947,394 | 2,947,054 | 903,110 | 903,110 |
| Fiduciary Fund | 0 | 340 | 0 | 0 |
| Totals | <u>\$ 2,947,394</u> | <u>\$ 2,947,394</u> | <u>\$ 903,110</u> | <u>\$ 903,110</u> |

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

The District typically transfers from the General Fund to the Special Aid Fund to fund the portion of the Summer Special Education Program not funded by aid from New York State.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 12. OTHER POSTEMPLOYMENT BENEFITS.

General Information about the OPEB Plan

Plan Description – The District’s defined benefit OPEB plan (“the District’s OPEB plan”), provides OPEB for eligible retired employees, their spouses and their dependent children. The District’s OPEB plan is a single-employer defined benefit OPEB plan administered by the District based on employment contracts. As these employment contracts are renegotiated, eligibility and benefits may change over time. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided – The District’s OPEB plan subsidizes the cost of healthcare eligible retired employees, their spouses and their dependent children. Minimum eligibility requirements for postemployment benefits are as follows:

- The retiree has attained age 55 years while in the employment of the District and meets the follow service requirements:
 - Service requirements range from 5 to 15 years of service based on the employment category (contract) and date of hire.
- The retiree is receiving retirement benefits from the NYS Employees’ Retirement System or the NYS Teachers’ Retirement System

The retiree is required to make a contribution towards the cost of coverage; contributions vary not only according to employment category (contract). The District reimburses Medicare Part B premiums for retirees who met the eligibility requirements at the time of retirement. In addition, the District will reimburse Medicare Part B premiums some future retirees.

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

| | |
|--|-------------|
| Inactive employees or beneficiaries currently receiving benefit payments | 582 |
| Active employees | 423 |
| | <hr/> |
| Total Employees Covered by Benefit Terms | 1,005 |
| | <hr/> <hr/> |

Total OPEB Liability

The District’s total OPEB liability of \$200,462,200 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2022.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified on the next page:

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 12. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

| | |
|--|---|
| Inflation Rate | 4.00% |
| Discount Rate | 3.54% |
| Healthcare Cost Trend Rates | Pre-65: 7.69% for 2020, decreasing to an ultimate rate of 4.50% for 2029 and later years Post-65: 8.68% for 2020, decreasing to an ultimate rate of 4.50% for 2029 and later years |
| Current Retirees' Share of Benefit Related Costs | Retirees pay 2.5% - 20% of the cost of single/family coverage and 15% - 20% for the spouse/family based on years of service with the District. |
| Future Retirees' Share of Benefit Related Costs | Retirees pay 2.5% - 20% of the cost of single/family coverage and 15% - 20% for the spouse/family based on years of service with the District. |

The discount rate was based on a review of the yield derived from the Bond Buyer 20 GO Bond Index.

Mortality rates were based on the PUB-2010 Headcount Weighted Mortality Table projected generationally with MP-2021 from the central year.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2021 - June 30, 2022.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 12. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

Changes in the Total OPEB Liability

| | |
|--|------------------------------|
| Balance at June 30, 2022 | <u>\$ 235,609,346</u> |
| <u>Changes for the Year:</u> | |
| Service cost | 9,329,707 |
| Interest | 5,234,657 |
| Differences between expected and actual experience | 5,693,589 |
| Changes of Assumptions | (50,189,549) |
| Change of Benefit Terms | 0 |
| Benefit payments | <u>(5,215,550)</u> |
| Net Changes | <u>(35,147,146)</u> |
| Balance at June 30, 2023 | <u><u>\$ 200,462,200</u></u> |

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

| | 1% Decrease (2.54%) | Current Discount Rate (3.54%) | 1% Increase (4.54%) |
|----------------------|---------------------------|-------------------------------------|---------------------------|
| Total OPEB Liability | \$ 235,564,818 | \$ 200,462,200 | \$ 172,424,552 |

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

| | 1% Decrease | Current Health Care Cost Trend Rates | 1% Increase |
|----------------------|----------------|---|----------------|
| Total OPEB Liability | \$ 169,785,173 | \$ 200,462,200 | \$ 239,876,255 |

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 \$9,979,250. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 12. OTHER POSTEMPLOYMENT BENEFITS. (Continued)

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ 6,112,597 | \$ 1,931,871 |
| Changes of Assumptions | 20,396,880 | 44,140,165 |
| District's contributions subsequent to the measurement date | <u>4,958,892</u> | <u>0</u> |
| Total | <u>\$ 31,468,369</u> | <u>\$ 46,072,036</u> |

District contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the fiscal year ended June 30, 2023. Other 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 | \$ 2,668,133 |
| 2025 | 1,284,061 |
| 2026 | 2,883,722 |
| 2027 | 5,595,952 |
| 2028 | 7,130,691 |
| Thereafter | 0 |

NOTE 13. RISK MANAGEMENT.

General Information

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.

Pool, Non-Risk Retained

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

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 14. 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 does not accrue a liability for accumulating, non-vesting sick leave, since payment is based on an uncontrollable future event (sickness). In accordance with the provisions of GASB #16, the value for accumulating, non-vesting sick leave is considered a contingent liability. The District reports \$150,732 for accumulating, non-vesting sick leave.

NOTE 15. ENCUMBRANCES

Encumbrances represent contracts, purchase orders, payroll commitments, tax payables, or legal penalties that are chargeable to an account. They cease to be encumbrances when paid or when the actual liability amount is determined and recorded as an expenditure. Encumbrances of appropriations of budgets for the year ended June 30, 2023 have been included in the assigned fund balance of the General Fund and in the restricted fund balance of all other funds at June 30, 2023 as follows:

| | | |
|-----------------------|----|-------------------|
| General Fund | \$ | 4,189,234 |
| School Lunch Fund | | 447,499 |
| Capital Projects Fund | | 6,789,785 |
| Total Encumbrances | \$ | <u>11,426,518</u> |

NOTE 16. DONOR-RESTRICTED ENDOWMENTS.

The District administers endowment funds, which are restricted by the donor for the purpose of student scholarships and awards.

The District authorizes expenditures from donor-restricted endowments in compliance with the wishes expressed by the donor, which varies among the unique endowments administered by the District.

NOTE 17. TAX ABATEMENTS.

The District negotiates property tax abatement agreements on an individual basis. The District has tax abatement agreements with four entities as of June 30, 2023:

| Full Assessed Value | Full Tax | PILOT's Received | Tax Abated |
|---------------------|------------|------------------|------------|
| \$ 5,982,203 | \$ 745,208 | \$ 242,041 | \$ 503,167 |

Each agreement was negotiated under municipal law, allowing localities to abate property taxes for a variety of development purposes, including business relocation, retention and expansion. The abatements may be granted to any business located within or promising to relocate to a local government's geographic area. Localities may grant abatements up to 50% of annual property taxes through a direct reduction of the entity's property tax bill. The municipal law does not provide for the recapture of abated taxes in the event an abatement recipient does not fulfill the commitment it makes in return for the tax abatement.

The District has not made any commitments as part of the agreements other than to reduce property taxes. The District is not subject to any tax abatement agreements entered into by other governmental entities.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 18. SUBSEQUENT EVENTS.

The District has evaluated subsequent events through October 3, 2023, the date that the financial statements were available to be issued. As of this date, there are no subsequent events to report.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2023

| | 6/30/2022 | 6/30/2021 | 6/30/2020 | 6/30/2019 | 6/30/2018 | 6/30/2017 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| <u>Total OPEB Liability</u> | | | | | | |
| Service Cost | \$ 9,329,707 | \$ 8,005,872 | \$ 6,472,429 | \$ 5,613,209 | \$ 4,873,490 | \$ 5,898,252 |
| Interest Cost | 5,234,657 | 4,975,852 | 6,981,867 | 6,936,054 | 6,036,044 | 5,280,626 |
| Differences Between Expected and Actual Experiences | 5,693,589 | (523,407) | (2,813,161) | (354,811) | 6,059,669 | 0 |
| Changes of Assumptions | (50,189,549) | 8,193,340 | 21,144,436 | 11,108,849 | (3,081,876) | (22,932,781) |
| Change of Benefit Terms | 0 | 0 | (2,469,087) | 0 | 0 | 0 |
| Benefit Payments | (5,215,550) | (4,352,423) | (4,853,214) | (4,100,000) | (3,915,352) | (3,895,465) |
| Net change in total OPEB liability | (35,147,146) | 16,299,234 | 24,463,270 | 19,203,301 | 9,971,975 | (15,649,368) |
| Total OPEB liability - beginning | 235,609,346 | 219,310,112 | 194,846,842 | 175,643,541 | 165,671,566 | 181,320,934 |
| Total OPEB liability - ending | \$ 200,462,200 | \$ 235,609,346 | \$ 219,310,112 | \$ 194,846,842 | \$ 175,643,541 | \$ 165,671,566 |
| Covered-employee payroll | \$ 40,599,906 | \$ 39,835,424 | \$ 37,723,764 | \$ 36,443,762 | \$ 37,149,561 | \$ 37,067,690 |
| Total OPEB liability as a percentage of covered-employee payroll | 493.75% | 591.46% | 581.36% | 534.65% | 472.80% | 446.94% |

Notes to Schedule:

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

Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.

The following are the discount rates used in each period:

| | |
|----------|-------|
| 06/30/22 | 3.54% |
| 06/30/21 | 2.16% |
| 06/30/20 | 2.21% |
| 06/30/19 | 3.51% |
| 06/30/18 | 3.87% |
| 06/30/17 | 3.58% |
| 06/30/16 | 2.85% |

Underlying claims were updated to reflect the most recent claims experience for the 6/30/22 period.

For the 6/30/22 period, the mortality assumption was the PUB-2010 Headcount Weighted Mortality Table with projection scale MP-2020 varying based on Bargaining Unit Classification.

For the 6/30/22 period, the salary scale was updated to service-based tables from ERS and TRS.

For the 6/30/22 period, healthcare cost trend rates were updated based on national average information from a variety of sources, including S&P Healthcare Economic Index, NHCE data, plan renewal data, and vendor Rx reports, with adjustments based on provisions of the benefits sponsored by the District.

*GASB 75 requires that the past 10 years of information be presented. Due to the fact that this statement was implemented for the year ended June 30, 2018, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 75.

See paragraph on supplementary schedules included in auditor's report.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

| | ORIGINAL BUDGET | FINAL BUDGET | CURRENT YEAR'S REVENUES | OVER (UNDER) FINAL BUDGET |
|---|--------------------|-----------------|-------------------------------|------------------------------|
| <u>REVENUES</u> | | | | |
| LOCAL SOURCES: | | | | |
| Real Property Taxes | \$ 64,334,840 | \$ 64,334,840 | \$ 64,307,323 | \$ (27,517) |
| Other Tax Items | 257,392 | 257,392 | 259,256 | 1,864 |
| Charges for Services | 2,449,432 | 2,449,432 | 2,608,117 | 158,685 |
| Use of Money & Property | 603,103 | 603,103 | 1,851,396 | 1,248,293 |
| Sale of Property & Compensation for Loss | 105,000 | 120,075 | 97,233 | (22,842) |
| Miscellaneous | 400,000 | 576,630 | 1,088,725 | 512,095 |
| STATE SOURCES | 30,904,472 | 30,904,472 | 31,340,356 | 435,884 |
| FEDERAL SOURCES | 75,000 | 75,000 | 574,249 | 499,249 |
| TOTAL REVENUES | 99,129,239 | 99,320,944 | 102,126,655 | \$ 2,805,711 |
| OTHER FINANCING SOURCES: | | | | |
| Operating Transfers In | 125,000 | 125,000 | 5,278 | |
| Appropriated Fund Balance and Reserves | 5,808,398 | 6,435,092 | 0 | |
| TOTAL REVENUES & OTHER FINANCING SOURCES | \$ 105,062,637 | \$ 105,881,036 | \$ 102,131,933 | |

See paragraph on supplementary schedules included in auditor's report.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

| | ORIGINAL BUDGET | FINAL BUDGET | CURRENT YEAR'S EXPENDITURES | ENCUMBRANCES | UNENCUMBERED BALANCE |
|--|--------------------|-----------------|-----------------------------------|--------------|-------------------------|
| EXPENDITURES | | | | | |
| GENERAL SUPPORT: | | | | | |
| Board of Education | \$ 53,463 | \$ 33,521 | \$ 26,178 | \$ 0 | \$ 7,343 |
| Central Administration | 1,511,395 | 1,577,027 | 1,488,388 | 5,246 | 83,393 |
| Finance | 59,177 | 59,242 | 45,765 | 10,000 | 3,477 |
| Staff | 645,246 | 536,035 | 424,900 | 37,132 | 74,003 |
| Central Services | 7,503,954 | 7,988,997 | 5,769,558 | 1,918,381 | 301,058 |
| Special Items | 1,254,741 | 1,214,875 | 1,210,468 | 0 | 4,407 |
| INSTRUCTIONAL: | | | | | |
| Instruction, Administration & Improvement | 1,318,068 | 1,297,754 | 1,166,085 | 123,437 | 8,232 |
| Teaching – Regular School | 36,358,296 | 35,039,242 | 33,810,483 | 623,679 | 605,080 |
| Programs for Children with Handicapping Conditions | 19,604,901 | 21,353,125 | 20,016,902 | 887,327 | 448,896 |
| Occupational Education | 472,113 | 478,799 | 477,073 | 213 | 1,513 |
| Teaching – Special Schools | 86,021 | 42,311 | 26,753 | 525 | 15,033 |
| Instructional Media | 3,098,996 | 3,431,303 | 2,658,495 | 349,620 | 423,188 |
| PUPIL TRANSPORTATION | 5,033,042 | 5,522,265 | 5,096,305 | 190,442 | 235,518 |
| COMMUNITY SERVICES | 20,500 | 8,500 | 0 | 0 | 8,500 |
| EMPLOYEE BENEFITS | 23,700,211 | 22,185,555 | 21,698,168 | 43,232 | 444,155 |
| DEBT SERVICE: | | | | | |
| Debt Service – Principal | 3,159,673 | 3,189,673 | 3,661,260 | 0 | (471,584) |
| Debt Service – Interest | 902,340 | 937,043 | 815,417 | 0 | 121,626 |
| TOTAL EXPENDITURES | 104,782,137 | 104,895,267 | 98,392,195 | 4,189,234 | 2,313,838 |
| OTHER USES: | | | | | |
| Operating Transfers Out | 280,500 | 985,769 | 897,833 | 0 | 87,936 |
| TOTAL EXPENDITURES & OTHER USES | \$ 105,062,637 | \$ 105,881,036 | 99,290,028 | \$ 4,189,234 | \$ 2,401,774 |
| EXCESS (DEFICIT) OF REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES | | | \$ 2,841,905 | | |

See paragraph on supplementary schedules included in auditor's report.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION ASSET/LIABILITY
FOR THE YEAR ENDED JUNE 30, 2023

| | NYSERS Pension Plan Last 10 Fiscal Years* | | | | | | | | | |
|---|--|---------------|----------------|----------------|----------------|---------------|----------------|----------------|--|--|
| | 3/31/2023 | 3/31/2022 | 3/31/2021 | 3/31/2020 | 3/31/2019 | 3/31/2018 | 3/31/2017 | 3/31/2016 | | |
| District's proportion of the net pension asset/(liability) | 0.0285449% | 0.0257138% | 0.0253018% | 0.0243519% | 0.0263615% | 0.0269218% | 0.0268400% | 0.0277215% | | |
| District's proportionate share of the net pension asset/(liability) | \$ (6,121,187) | \$ 2,101,995 | \$ (25,194) | \$ (6,448,533) | \$ (1,867,793) | \$ (868,888) | \$ (2,521,949) | \$ (4,449,372) | | |
| District's covered-employee payroll | \$ 12,478,826 | \$ 11,785,954 | \$ 9,361,194 | \$ 9,268,411 | \$ 9,004,066 | \$ 8,888,856 | \$ 8,610,079 | \$ 7,820,115 | | |
| District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll | -49.05% | 17.83% | -0.27% | -69.58% | -20.74% | -9.78% | -29.29% | -56.90% | | |
| Plan fiduciary net position as a percentage of the total pension liability | 103.65% | 103.65% | 99.95% | 86.39% | 96.27% | 98.24% | 94.70% | 90.68% | | |
| | NYSTRS Pension Plan Last 10 Fiscal Years* | | | | | | | | | |
| | 6/30/2022 | 6/30/2021 | 6/30/2020 | 6/30/2019 | 6/30/2018 | 6/30/2017 | 6/30/2016 | 6/30/2015 | | |
| District's proportion of the net pension asset/(liability) | 0.202179% | 0.194742% | 0.195790% | 0.197245% | 0.201094% | 0.203463% | 0.207144% | 0.206867% | | |
| District's proportionate share of the net pension asset/(liability) | \$ (3,879,593) | \$ 33,746,849 | \$ (5,410,208) | \$ 5,124,433 | \$ 3,636,304 | \$ 1,546,522 | \$ (2,218,599) | \$ 21,486,913 | | |
| District's covered-employee payroll | \$ 37,483,644 | \$ 36,066,745 | \$ 33,053,890 | \$ 33,231,768 | \$ 34,258,691 | \$ 34,878,991 | \$ 32,778,391 | \$ 32,202,894 | | |
| District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll | -10.35% | 93.57% | -16.37% | 15.42% | 10.61% | 4.43% | -6.77% | 66.72% | | |
| Plan fiduciary net position as a percentage of the total pension liability | 98.60% | 113.20% | 97.80% | 102.20% | 101.53% | 100.66% | 99.01% | 110.46% | | |

* GASB 68 requires that the past 10 years of information be presented. Due to the fact that the year of implementation was 6/30/14, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 68.

See paragraph on supplementary schedules included in auditor's report.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT

WARWICK, NEW YORK

SCHEDULE OF DISTRICT CONTRIBUTIONS

FOR THE YEAR ENDED JUNE 30, 2023

| | NYSERS Pension Plan Last 10 Fiscal Years* | | | | | | | | | |
|--|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--|--|
| | 3/31/2023 | 3/31/2022 | 3/31/2021 | 3/31/2020 | 3/31/2019 | 3/31/2018 | 3/31/2017 | 3/31/2016 | | |
| Contractually required contribution | \$ 1,082,614 | \$ 1,448,951 | \$ 1,343,206 | \$ 1,309,696 | \$ 1,313,769 | \$ 1,313,582 | \$ 1,260,192 | \$ 1,366,255 | | |
| Contributions in relation to the contractually required contribution | 1,082,614 | 1,448,951 | 1,343,206 | 1,309,696 | 1,313,769 | 1,313,582 | 1,260,192 | 1,366,255 | | |
| Contribution deficiency (excess) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | | |
| Covered Employee Payroll | \$ 12,478,826 | \$ 11,785,954 | \$ 9,361,194 | \$ 9,268,411 | \$ 9,004,066 | \$ 8,888,856 | \$ 8,610,079 | \$ 7,820,115 | | |
| Contributions as a percentage of its covered-employee payroll | 8.68% | 12.29% | 14.35% | 14.13% | 14.59% | 14.78% | 14.64% | 17.47% | | |
| | NYSTRS Pension Plan Last 10 Fiscal Years* | | | | | | | | | |
| | 6/30/2022 | 6/30/2021 | 6/30/2020 | 6/30/2019 | 6/30/2018 | 6/30/2017 | 6/30/2016 | 6/30/2015 | | |
| Contractually required contribution | \$ 3,510,210 | \$ 3,150,036 | \$ 2,944,335 | \$ 3,496,461 | \$ 3,210,079 | \$ 3,778,788 | \$ 3,975,322 | \$ 4,306,617 | | |
| Contributions in relation to the contractually required contribution | 3,510,210 | 3,150,036 | 2,944,335 | 3,496,461 | 3,210,079 | 3,778,788 | 3,975,322 | 4,306,617 | | |
| Contribution deficiency (excess) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | | |
| Covered Employee Payroll | \$ 37,483,644 | \$ 36,066,745 | \$ 33,053,890 | \$ 33,231,768 | \$ 34,258,691 | \$ 34,878,991 | \$ 32,778,391 | \$ 32,202,894 | | |
| Contributions as a percentage of its covered-employee payroll | 9.36% | 8.73% | 8.91% | 10.52% | 9.37% | 10.83% | 12.13% | 13.37% | | |

* GASB 68 requires that the past 10 years of information be presented. Due to the fact that the year of implementation was 6/30/14, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 68.

See paragraph on supplementary schedules included in auditor's report.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND THE REAL PROPERTY TAX LIMIT – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

CHANGE FROM ADOPTED TO FINAL BUDGET

| | |
|--|------------------------------|
| ADOPTED BUDGET | \$ 101,729,239 |
| ADDITIONS: | |
| Encumbrances from Prior Year | <u>3,333,398</u> |
| ORIGINAL BUDGET | 105,062,637 |
| BUDGET REVISIONS: | |
| Budget Amendments for Appropriation from Reserves: | |
| Capital Reserve | 250,000 |
| Budget Amendment for High School Transformer | 250,000 |
| Budget Amendment for Emergency HS Boiler | 34,070 |
| Budget Amendment for Capital Fund | 87,623 |
| Budget Amendment for Emergency Connectivity Grant | 176,631 |
| Budget Amendment for Donations | 20,075 |
| REVISED BUDGET | <u><u>\$ 105,881,036</u></u> |

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

| | |
|--|----------------------------|
| 2023–2024 Voter-approved expenditure budget maximum allowed (4% of 2023–2024 budget, \$109,140,179) | <u>\$ 4,365,607</u> |
| General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law | |
| Unrestricted Fund Balance: | |
| Assigned Fund Balance | \$ 5,589,234 |
| Unassigned Fund Balance | <u>4,375,959</u> |
| Total Unrestricted Fund Balance | <u>9,965,193</u> |
| Less: | |
| Appropriated Fund Balance | 1,400,000 |
| Encumbrances Included in Committed and Assigned Fund Balance | <u>4,189,234</u> |
| Total Adjustments | <u>5,589,234</u> |
| General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law | <u><u>\$ 4,375,959</u></u> |
| Actual Percentage | 4.00% |

See paragraph on supplementary schedules included in auditor's report.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
SCHEDULE OF CAPITAL PROJECTS FUND – PROJECT EXPENDITURES AND FINANCING RESOURCES
FOR THE YEAR ENDED JUNE 30, 2023

| | ORIGINAL APPROPRIATION | REVISED APPROPRIATION | EXPENDITURES TO DATE | | UNEXPENDED BALANCE | METHODS OF FINANCING | | FUND BALANCE JUNE 30, 2023 |
|---|---------------------------|--------------------------|----------------------|-----------------|-----------------------|-----------------------|--------------------------|----------------------------------|
| | | | PRIOR YEARS | CURRENT YEAR | | PROCEEDS FROM DEBT | STATE & LOCAL SOURCES | |
| | | | | | TOTAL | | TOTAL | |
| Phase III Renovation | \$ 8,000,000 | \$ 8,000,000 | \$ 8,005,510 | 0 | \$ 8,005,510 | \$ 4,875,000 | \$ 3,130,510 | \$ 8,005,510 |
| Smart School Bond Act | 2,213,192 | 2,212,633 | 2,162,611 | 0 | 2,162,611 | 0 | 2,162,611 | 0 |
| Buses 2016-2017 | 591,000 | 591,000 | 591,000 | 0 | 591,000 | 0 | 591,000 | 0 |
| District-wide Reconstruction | 10,800,000 | 10,800,000 | 10,797,767 | 2,233 | 10,800,000 | 6,570,000 | 4,230,000 | 10,800,000 |
| High School Security Upgrades - Emergency Project | 200,000 | 200,000 | 200,000 | 0 | 200,000 | 0 | 200,000 | 0 |
| Buses - 2018 | 510,000 | 510,000 | 501,511 | 0 | 501,511 | 8,489 | 0 | 501,511 |
| Middle School Generator | 400,000 | 400,000 | 399,999 | 0 | 399,999 | 1 | 0 | 400,000 |
| Buses - 2019 | 485,000 | 485,000 | 466,059 | 0 | 466,059 | 18,941 | 0 | 440,242 |
| Library Technology Project | 400,000 | 395,932 | 394,410 | 3,044 | 397,454 | (1,522) | 395,932 | 0 |
| Sanfordville Elementary Boiler - Emergency Project | 150,000 | 150,000 | 150,000 | 0 | 150,000 | 0 | 150,000 | 0 |
| High School Pool Boiler - Emergency Project | 35,000 | 35,000 | 34,370 | 0 | 34,370 | 630 | 0 | 34,370 |
| Buses - 2020 | 608,000 | 608,000 | 607,325 | 0 | 607,325 | 675 | 0 | 504,428 |
| Bus - Emergency Purchase | 70,000 | 70,000 | 70,000 | 0 | 70,000 | 0 | 0 | 70,000 |
| High School Auditorium Wall | 250,000 | 250,000 | 250,000 | 0 | 250,000 | 0 | 0 | 250,000 |
| Buses - 2021 | 599,000 | 599,000 | 596,367 | 0 | 596,367 | 2,633 | 0 | 419,600 |
| COVID Projects | 247,500 | 247,500 | 247,500 | 0 | 247,500 | 0 | 0 | 247,500 |
| Emergency Boiler Repairs - High School | 100,000 | 118,795 | 118,795 | 0 | 118,795 | 0 | 118,795 | 0 |
| Buses - 2021-2022 | 550,000 | 550,000 | 499,192 | 49,000 | 548,192 | 1,808 | 0 | 309,638 |
| District Wide Renovations | 13,812,154 | 13,812,154 | 6,517,807 | 7,156,862 | 6,655,392 | 0 | 5,030,000 | 5,030,000 |
| Pine Island Fire Alarms | 100,000 | 100,000 | 72,810 | 288 | 73,098 | 26,902 | 0 | 100,000 |
| Sanfordville Chiller | 400,000 | 400,000 | 24,012 | 224,893 | 258,905 | 141,095 | 0 | 400,000 |
| UY Middle School Project | 100,000 | 100,000 | 98,946 | 0 | 98,946 | 1,054 | 0 | 100,000 |
| Pine Island Water | 200,000 | 200,000 | 0 | 115,854 | 115,854 | 84,146 | 0 | 200,000 |
| Buses - 2022-2023 | 585,000 | 585,000 | 0 | 443,201 | 443,201 | 141,799 | 0 | 250,000 |
| Emergency High School Transformer | 250,000 | 250,000 | 0 | 145,411 | 145,411 | 104,589 | 0 | 250,000 |
| BOCES IPA #11 | 472,423 | 472,423 | 0 | 472,423 | 472,423 | 0 | 472,423 | 0 |
| Municipal Lease - Playground Equipment | 105,427 | 105,427 | 0 | 105,427 | 105,427 | 0 | 0 | 105,427 |
| | \$ 42,233,696 | \$ 42,247,864 | \$ 26,927,239 | \$ 8,089,581 | \$ 35,016,820 | \$ 7,245,345 | \$ 20,090,205 | \$ 32,508,987 |
| | | | | | | | | \$ (2,507,833) |

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NET INVESTMENT IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2023

| | | |
|--|--------------|-----------------------------|
| CAPITAL ASSETS, NET | | \$ 91,131,879 |
| RIGHT TO USE ASSETS, NET | | 444,177 |
| ADDITIONS: | | |
| Deferred Charges on Refunding | | 26,092 |
| DEDUCTIONS: | | |
| Bond Anticipation Notes Payable | \$ 9,671,521 | |
| Short-term Portion of Bonds Payable | 564,100 | |
| Long-term Portion of Bonds Payable | 15,857,551 | |
| Short-term Portion of Installment Debt | 461,301 | |
| Long-term Portion of Installment Debt | 5,326,334 | |
| Short-term Portion of Lease Liability | 394,470 | |
| Total Deductions | | <u>(32,275,277)</u> |
| NET INVESTMENT IN CAPITAL ASSETS | | <u><u>\$ 59,326,871</u></u> |

See paragraph on supplementary schedules included in auditor's report.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
STATEMENT OF INDEBTEDNESS
FOR THE YEAR ENDED JUNE 30, 2023

| | DATE OF ORIGINAL ISSUE | MATURITY | INTEREST RATE | OUTSTANDING BEGINNING OF FISCAL YEAR | ISSUED DURING YEAR | PAID DURING YEAR | OUTSTANDING END OF YEAR | AMOUNT OF INTEREST PAID DURING FISCAL YEAR | AMOUNT OF INTEREST ACCRUED AT JUNE 30, 2023 |
|----------------------------------|------------------------------|-----------|------------------|--|--------------------------|------------------------|-------------------------------|---|--|
| <u>BANS PAYABLE</u> | | | | | | | | | |
| School Construction | 12/07/22 | 06/30/23 | 4.50% | \$ 0 | \$ 4,000,000 | \$ 4,000,000 | \$ 0 | \$ 101,500 | \$ 0 |
| School Construction | 06/29/23 | 06/28/24 | 4.75% | 0 | 8,782,154 | 0 | 8,782,154 | - | 1,143 |
| Buses | 7/22/21 | 7/21/22 | 0.31% | 859,045 | 0 | 859,045 | 0 | 2,663 | 0 |
| Buses | 7/21/22 | 7/21/23 | 3.50% | 0 | 889,367 | 0 | 889,367 | 0 | 29,337 |
| Total Short Term | | | | 859,045 | 13,671,521 | 4,859,045 | 9,671,521 | 104,163 | 30,480 |
| <u>BONDS PAYABLE</u> | | | | | | | | | |
| Serial Bond – Advanced Refunding | 4/16/2015 | 6/15/2023 | 5.000% | 690,000 | 0 | 690,000 | 0 | 34,500 | 0 |
| Serial Bond – Advanced Refunding | 8/10/2016 | 5/15/2037 | Various | 4,865,000 | 0 | 230,000 | 4,635,000 | 196,850 | 29,207 |
| Serial Bond - Construction | 7/2/2018 | 6/15/2034 | Various | 3,840,000 | 0 | 325,000 | 3,515,000 | 111,088 | 2,889 |
| Serial Bond – Advanced Refunding | 3/25/2021 | 6/15/2027 | Various | 2,350,000 | 0 | 525,000 | 1,825,000 | 62,350 | 750 |
| Serial Bond - Construction | 6/29/2021 | 6/15/2029 | Various | 6,120,000 | 0 | 455,000 | 5,665,000 | 119,556 | 2,328 |
| Total Bonds | | | | 17,865,000 | 0 | 2,225,000 | 15,640,000 | 524,344 | 35,174 |
| <u>INSTALLMENT DEBT</u> | | | | | | | | | |
| 2013 Contract | 6/26/2013 | 6/26/2028 | 2.78% | 1,788,280 | 0 | 277,995 | 1,510,285 | 49,714 | 460 |
| 2017 Energy Performance Contract | 08/17/17 | 07/15/32 | 2.495% | 4,513,000 | 0 | 352,000 | 4,161,000 | 108,208 | 47,215 |
| 2019 Municipal Equipment Lease | 05/20/19 | 07/15/23 | 4.790% | 163,017 | 0 | 79,602 | 83,415 | 7,809 | 3,831 |
| 2022 Municipal Equipment Lease | 06/01/22 | 06/01/24 | 5.370% | 64,191 | 0 | 31,256 | 32,935 | 3,447 | 141 |
| Total Installment Debt | | | | 6,528,488 | 0 | 740,853 | 5,787,635 | 169,178 | 51,647 |
| <u>LEASES PAYABLE</u> | | | | | | | | | |
| BOCES IPA #8 | 06/15/20 | 06/15/23 | 0.94% | 67,109 | 0 | 67,109 | 0 | 634 | 0 |
| BOCES IPA #9 | 06/15/20 | 06/15/23 | 0.94% | 110,240 | 0 | 110,240 | 0 | 1,041 | 0 |
| BOCES IPA #11 | 08/22/22 | 06/15/25 | 3.98% | 0 | 472,423 | 153,380 | 319,043 | 15,905 | 0 |
| Municipal Equipment Lease - 3 | 06/22/23 | 06/22/25 | 8.03% | 0 | 105,427 | 30,000 | 75,427 | 0 | 0 |
| Total Installment Debt | | | | 177,349 | 577,850 | 360,729 | 394,470 | 17,580 | 0 |
| TOTAL INDEBTEDNESS | | | | \$ 25,429,882 | \$ 14,249,371 | \$ 8,185,627 | \$ 31,493,626 | \$ 815,265 | \$ 117,301 |

See paragraph on supplementary schedules included in auditor's report.



Nugent & Haeussler, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ESTABLISHED 1925

101 Bracken Road
Montgomery, New York 12549
Tel (845) 457-1100
Fax (845) 457-1160
e-mail: nh@nhcpas.com

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

Peter J. Bullis, CPA, FACFEI, DABFA
Christopher E. Melley, CPA
Gary C. Theodore, CPA
Julia R. Fraino, CPA
William T. Trainor, CPA
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Justin B. Wood, CPA
Richard P. Capicchioni, CPA

Norman M. Sassi, CPA
Walter J. Jung, CPA

To the President and Members
of the Board of Education of the
Warwick Valley Central School District
Warwick, New York 10990

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 and each major fund of Warwick Valley 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 Warwick Valley Central School District's basic financial statements and have issued our report thereon dated October 3, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Warwick Valley Central School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Warwick Valley Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Warwick Valley 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 Warwick Valley 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Montgomery, New York
October 3, 2023



Nugent & Haeussler, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ESTABLISHED 1925

101 Bracken Road
Montgomery, New York 12549
Tel (845) 457-1100
Fax (845) 457-1160
e-mail: nh@nhcpas.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the President and Members
of the Board of Education of the
Warwick Valley Central School District
Warwick, New York 10990

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Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Warwick Valley 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 Warwick Valley Central School District's major federal programs for the year ended June 30, 2023. Warwick Valley 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, Warwick Valley 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Auditor's 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 Warwick Valley 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 Warwick Valley 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 Warwick Valley 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 Warwick Valley 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 Warwick Valley 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 Auditor's 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.

A handwritten signature in blue ink that reads "Mazza & Haussler, P.C.".

Montgomery, New York
October 3, 2023

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

| <u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE</u> | <u>FEDERAL ASSISTANCE LISTING NUMBER</u> | <u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u> | <u>PASSED THROUGH TO SUBRECIPIENTS</u> | <u>EXPENDITURES</u> |
|--|--|---|--|---------------------|
| <u>U.S. DEPARTMENT OF AGRICULTURE</u> | | | | |
| Passed-through NYS Education Department: | | | | |
| Child Nutrition Cluster: | | | | |
| Cash Assistance | | | | |
| National School Lunch Program | 10.555 | N/A | | 214,270 |
| National School Breakfast Program | 10.553 | N/A | 0 | 21,181 |
| Cash Assistance Subtotal | | | 0 | 235,451 |
| Non-Cash Assistance (food distribution) | | | | |
| Commodity Supplemental Food Program | 10.555 | N/A | 0 | 40,898 |
| Pandemic EBT Administrative Costs | 10.649 | N/A | 0 | 1,256 |
| TOTAL U.S. DEPT. OF AGRICULTURE, CHILD NUTRITION CLUSTER | | | 0 | 277,605 |
| <u>U.S. DEPARTMENT OF EDUCATION</u> | | | | |
| Passed-through NYS Education Department: | | | | |
| Special Education Cluster: | | | | |
| IDEA -- Part B, Section 611 | 84.027 | 0032-22-0699 | 0 | 46,781 |
| IDEA -- Part B, Section 611 | 84.027 | 0032-23-0699 | 33,878 | 787,413 |
| ARP Section 611 | 84.027X | 5532-22-0699 | 11,508 | 150,055 |
| IDEA -- Part B, Section 619 | 84.173 | 0033-22-0699 | 0 | 2,352 |
| IDEA -- Part B, Section 619 | 84.173 | 0033-23-0699 | 7,038 | 29,192 |
| ARP Section 619 | 84.173X | 5533-22-0699 | 4,161 | 19,460 |
| Total Special Education Cluster | | | 56,585 | 1,035,253 |
| Education Stabilization Funds Under the Coronavirus | | | | |
| Elementary and Secondary School Emergency Relief Fund (ESSER 2) | 84.425D | 5891-21-2290 | 0 | 2,323,087 |
| ARP ESSER 3 | 84.425U | 5880-21-2290 | 0 | 517,051 |
| ARP Comprehensive After School Grant (ESSER 1%) | 84.425U | 5883-21-2290 | 0 | 35,888 |
| ARP Summer Enrichment | 84.425U | 5882-21-2290 | 0 | 45,000 |
| ARP Homeless II | 84.425U | 5218-21-2290 | 0 | 8,663 |
| ARP Universal Pre-K | 84.425U | 5870-23-9301 | 0 | 415,800 |
| ARP Learning Loss (ESSER 5%) | 84.425U | 5884-21-2290 | 0 | 227,259 |
| Total Education Stabilization Funds Under the Coronavirus | | | 0 | 3,572,748 |
| Title I Parts A&D, Basic Program | 84.010A | 0021-22-2290 | 0 | 28,014 |
| Title I Parts A&D, Basic Program | 84.010A | 0021-23-2290 | 0 | 234,584 |
| Title II Part A, Teacher & Principal Training & Recruiting | 84.367A | 0147-22-2290 | 0 | 8,133 |
| Title II Part A, Teacher & Principal Training & Recruiting | 84.367A | 0147-23-2290 | 0 | 69,996 |
| Title IV Part A | 84.424 | 0204-23-2290 | 0 | 23,455 |
| Total Passed-through NYS Education Department | | | 38,039 | 4,972,183 |
| TOTAL U.S. DEPARTMENT OF EDUCATION | | | 38,039 | 4,972,183 |
| TOTAL FEDERAL AWARDS EXPENDED | | | \$ 38,039 | \$ 5,249,788 |

The accompanying notes are an integral part of the schedule.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1. BASIS OF PRESENTATION.

The accompanying schedule of expenditures of federal awards 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. 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 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Indirect costs may be included in the reported expenditures, to the extent that 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.

Matching costs (the District's share of certain program costs) are not included in the reported expenditures.

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program.

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.

NOTE 2. NON-CASH ASSISTANCE.

The District is the recipient of a federal award program that does not result in cash receipts or disbursements. The District was granted \$40,898 of commodities under the Commodity Supplemental Food Program (Federal Assistance Listing Number 10.555).

NOTE 3. 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.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

SECTION I – SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of Auditor's Opinion Issued: Unmodified

Internal Control over Financial Reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiencies identified that are
not considered to be material weaknesses _____ 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 deficiencies identified that are
not considered to be material weaknesses _____ Yes X None Reported

Type of Auditor's Opinion 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:

FEDERAL ASSISTANCE LISTING NUMBERS

84.425
84.027, 84.173

NAME OF FEDERAL PROGRAM OR CLUSTER

Education Stabilization Funds
Section 611 & 619 Special Education Cluster

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

Auditee qualified as low-risk auditee? _____ Yes X No

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no findings relating to the financial statements which were required to be reported.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

A. Significant Deficiencies in Internal Control

There were no findings relating to the major federal awards as required to be reported in accordance with the Uniform Guidance.

B. Compliance Findings

There were no findings relating to the major federal awards as required to be reported in accordance with the Uniform Guidance.



Nugent & Haeussler, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ESTABLISHED 1925

101 Bracken Road
Montgomery, New York 12549
Tel (845) 457-1100
Fax (845) 457-1160
e-mail: nh@nhcpas.com

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INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of the
Warwick Valley Central School District
Warwick, New York 10990

Opinion

We have audited the accompanying financial statements of Warwick Valley Central School District extraclassroom activity funds, which comprise the statement of assets, liabilities, and fund balance-cash basis as of June 30, 2023 and the related statement of receipts and disbursements-cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance – cash basis of Warwick Valley Central School District extraclassroom activity funds as of June 30, 2023, and its receipts and disbursements-cash basis for the year then ended, in accordance with the cash basis of accounting as described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Warwick Valley Central School District extraclassroom activity funds 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 opinion.

Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Warwick Valley Central School District's extraclassroom activity funds 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 Warwick Valley Central School District's extraclassroom activity funds 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.

Montgomery & Haussler, P.C.

Montgomery, New York
October 3, 2023

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
EXTRACLASROOM ACTIVITY FUND
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE – CASH BASIS
JUNE 30, 2023

ASSETS

| | |
|------|------------|
| Cash | \$ 216,423 |
|------|------------|

FUND BALANCE

| | |
|---------------------------------------|-------------------|
| Fund Balance, Beginning of Year | \$ 211,542 |
| Excess of Receipts over Disbursements | <u>4,881</u> |
| Fund Balance, End of Year | <u>\$ 216,423</u> |

See notes to financial statements.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
EXTRACURRICULAR ACTIVITY FUND - HIGH SCHOOL
STATEMENT OF RECEIPTS AND DISBURSEMENTS – CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2023

| | CASH BALANCE JUNE 30, 2022 | RECEIPTS | DISBURSEMENTS | CASH BALANCE JUNE 30, 2023 |
|------------------------|----------------------------------|-------------------|-------------------|----------------------------------|
| Class of 2022 | \$ 2,450 | \$ 0 | \$ 2,450 | \$ 0 |
| Class of 2023 | 3,601 | 131,674 | 135,540 | (265) |
| Class of 2024 | 1,692 | 44,604 | 41,213 | 5,083 |
| Class of 2025 | 651 | 5,528 | 4,250 | 1,929 |
| Class of 2026 | 0 | 4,120 | 1,441 | 2,679 |
| Art Club | 1,314 | 156 | 286 | 1,184 |
| Autism Club | 1,254 | 0 | 31 | 1,223 |
| Band | 6,096 | 7,530 | 10,296 | 3,330 |
| Chorus | 4,816 | 28,932 | 30,176 | 3,572 |
| Drama Club | 29,583 | 21,010 | 18,213 | 32,380 |
| Empty Bowls | 517 | 328 | 592 | 253 |
| Environmental Club | 1,256 | 0 | 0 | 1,256 |
| FBLA | 295 | 0 | 0 | 295 |
| FFA | 8,761 | 3,556 | 3,065 | 9,252 |
| Homecoming Club | 578 | 1,279 | 1,323 | 534 |
| Interact Club | 984 | 725 | 0 | 1,709 |
| Mock Trial | 60 | 0 | 0 | 60 |
| Model UN | 15 | 0 | 0 | 15 |
| Mu Alpha Theta | 1,570 | 1,160 | 1,550 | 1,180 |
| National Honor Society | 753 | 3,138 | 2,148 | 1,743 |
| OCAL | 26 | 0 | 0 | 26 |
| Omega Yearbook | 5,469 | 4,125 | 3,735 | 5,859 |
| Orchestra Club | 2,979 | 13,654 | 13,854 | 2,779 |
| Physics | 1,151 | 0 | 0 | 1,151 |
| Robotics / Lego League | 4,298 | 0 | 0 | 4,298 |
| SADD | 2,561 | 0 | 0 | 2,561 |
| Sales Tax | 2,510 | 15,039 | 15,618 | 1,931 |
| Senior Project | 572 | 0 | 57 | 515 |
| Strings N Things | 357 | 0 | 57 | 300 |
| Studio Music Club | 1,891 | 1,833 | 1,121 | 2,603 |
| Student Senate | 46,491 | 17,717 | 17,308 | 46,900 |
| Survey | 168 | 0 | 0 | 168 |
| Vocal Club (Cats Meow) | 773 | 0 | 773 | 0 |
| Wire Choir | 3,908 | 5,122 | 7,573 | 1,457 |
| Youth-in-Government | 78 | 0 | 0 | 78 |
| | <u>\$ 139,478</u> | <u>\$ 311,230</u> | <u>\$ 312,670</u> | <u>\$ 138,038</u> |

See notes to financial statements.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
EXTRACLASSROOM ACTIVITY FUND - MIDDLE SCHOOL
STATEMENT OF RECEIPTS AND DISBURSEMENTS – CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2023

| | CASH BALANCE JUNE 30, 2022 | RECEIPTS | DISBURSEMENTS | CASH BALANCE JUNE 30, 2023 |
|-------------------------------|----------------------------------|------------------|------------------|----------------------------------|
| Band | \$ 5,292 | \$ 28,636 | \$ 33,025 | \$ 903 |
| Drama Club | 21,681 | 19,962 | 24,791 | 16,852 |
| Guitar Club | 3,209 | 1,458 | 1,270 | 3,397 |
| Junior FFA | 211 | 0 | 211 | 0 |
| Mileage Club | 1,591 | 1,613 | 1,758 | 1,446 |
| National Junior Honor Society | 14,717 | 3,170 | - | 17,887 |
| Odyssey of the Mind | 18,396 | 21,948 | 12,032 | 28,312 |
| SADD Tax | 0 | 2,372 | 1,597 | 775 |
| Sales Tax | 554 | 1,317 | 1,437 | 434 |
| Student Senate | 5,442 | 4,330 | 2,091 | 7,681 |
| Ukulele | 971 | 8,352 | 8,625 | 698 |
| | <u>\$ 72,064</u> | <u>\$ 93,158</u> | <u>\$ 86,837</u> | <u>\$ 78,385</u> |

See notes to financial statements.

WARWICK VALLEY CENTRAL SCHOOL DISTRICT
WARWICK, NEW YORK
EXTRACLASROOM ACTIVITY FUNDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

- (a) The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of Warwick Valley Central School District. We have included the Extraclassroom Activity Fund balances within the fiduciary funds of the financial statements. The separate audit report of the Extraclassroom Activity Funds is required due to the fact that the transactions of this fund are controlled by student management.
- (b) The books and records of Warwick Valley Central School District's Extraclassroom Activity Funds are maintained on the cash basis of accounting. Under this basis of accounting, revenues are recognized when cash is received and expenditures recognized when cash is disbursed.
- (c) The Extraclassroom Activity Funds are used to record the activity of all student-related activities within the District. These funds are under the control of an appointed central treasurer who maintains cash receipts and cash disbursement books. All receipts are collected by the student activity treasurer and disbursements must be approved by the student management.