

***SULLIVAN WEST CENTRAL SCHOOL DISTRICT***

***FINANCIAL STATEMENTS***

***JUNE 30, 2023***

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
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JUNE 30, 2023

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## INDEPENDENT AUDITORS' REPORT

To The Board of Education of the  
Sullivan West Central School District  
Jeffersonville, New York

### Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Sullivan West Central School District, New York, as of June 30, 2023, and the respective changes in financial position for the year then ended in conformity 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 Sullivan West Central School District, New York, 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sullivan West Central School District, New York'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 Sullivan West Central School District, New York'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 other required supplementary information on pages 5 through 13 and 57 through 62, respectively, 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 Sullivan West Central School District, New York's financial statements as a whole. The accompanying combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and schedule of expenditures of federal awards are ~~is~~ fairly stated in all material respects in relation to the financial statements as a whole.

## **Other Matters**

The prior year summarized comparative information was derived from the District's June 30, 2022 financial statements and, in our report dated October 5, 2022, we expressed an unmodified opinion on the financial statements.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2023 on our consideration of the Sullivan West Central School District, New York's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sullivan West Central School District, New York's internal control over financial reporting and compliance.

*Cooper Arias, LLP*

Mongaup Valley, New York  
October 2, 2023

# Management's Discussion and Analysis

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## Sullivan West Central School District Review



SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

### **Financial Highlights**

Key financial highlights for 2023 are as follows:

#### **District – Wide Statements**

- Tax Revenues accounted for \$19,681,379 or 47% of total revenues, State and Federal sources accounted for \$20,673,215 or 49% of total revenues, and Miscellaneous accounted for \$1,807,021 or 4% of total revenues.
- Total Net Position was (\$32,524,674) at June 30, 2023, up \$4,088,749 from the prior year's amount.

#### **Fund Financial Statements**

- Among major funds, the General Fund had \$38,520,146 in total revenues, of which \$19,681,379 or 51% was made up of tax revenues, including STAR payments, and \$17,494,801 or 45%, was made up of state and federal sources. The General Fund expenditures totaled \$37,604,710 for the year ended June 30, 2023. The General Fund's fund balance increased from the amount of \$12,813,900 at June 30, 2022, to \$13,729,336, at June 30, 2023. Of the total fund balance, \$3,294,866 was assigned (\$2,534,000 designated to reduce the subsequent year's tax levy and \$760,866 encumbered for the subsequent year) and \$8,762,614 was restricted, leaving \$1,671,856 as unassigned. The unassigned fund balance is in compliance with the 4% requirement.

### **Using this Annual Report**

This annual financial report consists of a series of financial statements and notes to those statements. The statements are organized so that the reader can understand the District as a whole, and then proceed to provide an increasingly detailed look at specific financial activities.

### **Reporting the District as a Whole**

#### *The Statement of Net Position and Statement of Activities*

One of the most important questions asked about the District's finances is "Is the District better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a manner that helps to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when the cash is received or paid.

These two statements report the District's net position and changes in it. The change in net position provides the reader a tool to assist in determining whether the District's financial health is improving or deteriorating. The reader will need to consider other non-financial factors such as property tax base, current property tax laws, student enrollment and facility conditions in arriving at their conclusion regarding the overall health of the District.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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**Reporting the District's Most Significant Funds**

*Fund Financial Statements*

The fund financial statements provide detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions. The District's two types of funds, the governmental and fiduciary, use different accounting approaches.

*Governmental Funds*

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual basis of accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides.

Governmental fund information helps you determine whether there are more or less financial resources available to spend in the near future to finance the District's programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

*Fiduciary Funds:*

The District is the trustee, or fiduciary, 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.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Financial Analysis of the School District as a Whole**  
**Condensed Statement of Net Statement of Net Position (in Thousands of Dollars)**

Net Position	2023	2022	Increase (Decrease)
Current Assets	\$ 24,547	\$ 23,886	2.77%
Net Pension Asset	-	11,216	-100.00%
Capital Assets, Net	32,964	33,153	-0.57%
Total Assets	57,511	68,255	-15.74%
Total Deferred Outflows of Resources	17,921	20,039	-10.57%
Current Liabilities	3,940	4,370	-9.84%
Long-Term Liabilities	91,399	101,518	-9.97%
Total Liabilities	95,339	105,888	-9.96%
Total Deferred Inflows of Resources	12,618	19,020	-33.66%
Net Investment in Capital Assets	29,686	26,761	10.93%
Restricted	8,950	7,559	18.40%
Unrestricted	(71,161)	(70,933)	-0.32%
Total Net Position	\$ (32,525)	\$ (36,613)	11.17%

*Note: Totals may not add due to rounding.*

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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**Governmental Activities**

The laws in New York State require the District to seek voter approval for the general fund-operating budget. Without voter approval, school districts are placed on a contingency budget, which limits expenditures to those considered essential to maintain an educational program, preserve property and assure the health and safety of students and staff. The budget for the 2023-2024 school year was approved by the voters.

School districts are dependent upon property taxes as a primary source of revenue. Since the District must rely heavily on voter approval for funding levels, management of resources is of paramount concern to District administration and the voting public.

*The District's Funds*

Information about the School District's major funds starts on Page 17. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$42.2 million and expenditures of \$41.1 million, exclusive of interfund transfers and proceeds of debt.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Governmental Fund Activities (in Thousands of Dollars)**

Revenues and Other Sources	2023	2022	Increase or (Decrease)
General Fund	\$ 38,520	\$ 36,806	4.66%
Special Aid Fund	2,742	2,652	3.39%
School Lunch Fund	542	634	-14.51%
Capital Projects	1,313	516	154.46%
Debt Service	3,378	3,291	2.64%
Miscellaneous Special Revenue	156	114	36.84%
Total	<u>\$ 46,651</u>	<u>\$ 44,013</u>	<u>5.99%</u>
Expenditures and Other Uses			
General Fund	\$ 37,605	\$ 36,257	3.72%
Special Aid Fund	2,742	2,652	3.39%
School Lunch Fund	570	563	1.24%
Capital Projects	1,224	319	283.70%
Debt Service	3,279	3,287	-0.24%
Miscellaneous Special Revenue	140	83	68.67%
Total	<u>\$ 45,560</u>	<u>\$ 43,161</u>	<u>5.56%</u>
Gains or (Losses)			
General Fund	\$ 915	\$ 549	66.67%
Special Aid Fund	-	-	0.00%
School Lunch Fund	(28)	71	139.44%
Capital Projects	89	197	-54.82%
Debt Service	99	4	2375.00%
Miscellaneous Special Revenue	16	31	-48.39%
Total	<u>\$ 1,091</u>	<u>\$ 852</u>	<u>28.05%</u>
Fund Balances			
General	\$ 13,729	\$ 12,814	7.14%
Special Aid	-	-	0.00%
School Lunch	129	157	-17.83%
Capital Projects	4,896	4,807	1.85%
Debt Service	1,589	1,490	6.64%
Miscellaneous Special Revenue	295	279	5.73%
Total	<u>\$ 20,638</u>	<u>\$ 19,547</u>	<u>5.58%</u>

**General Fund Budget Information**

The District's budget is prepared in accordance with New York State law and is based on the modified accrual basis of accounting, utilizing cash receipts, disbursements and encumbrances. The most significant fund is the General Fund. The adopted budget and subsequent modifications to the General Fund budget are detailed in the Required Supplementary Information on pages 57 and 58 in the financial statements.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

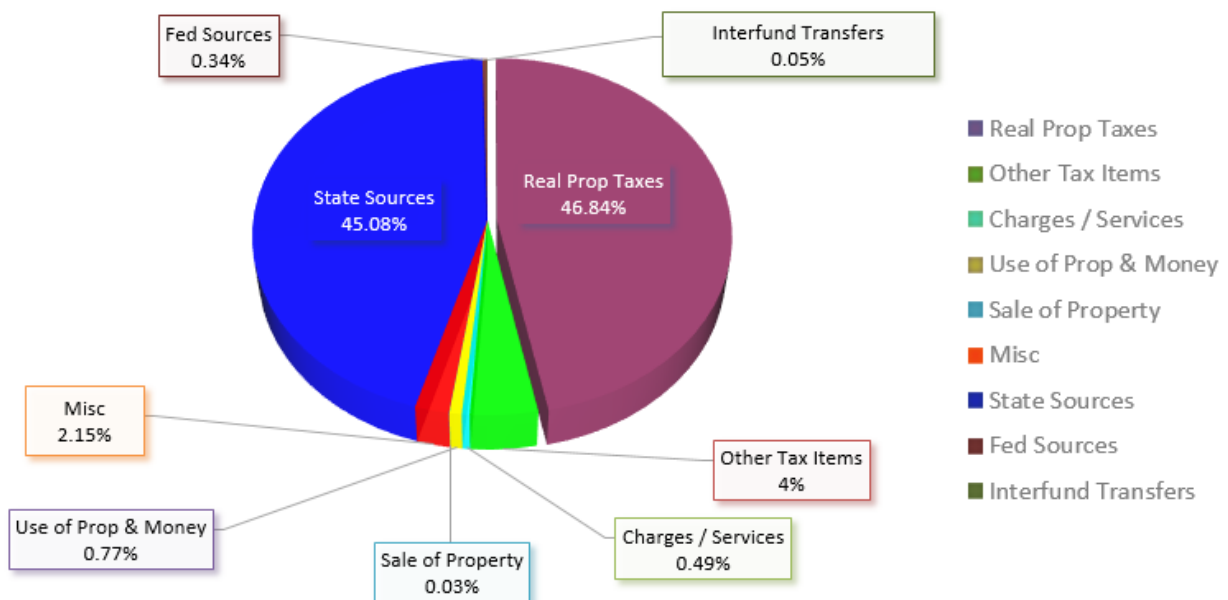
**General Fund Activity (in Thousands of Dollars)**

The tables that follow assist in illustrating the financial activities of the general fund.

Revenues	2023	2022	% Change
Real Property Taxes	\$ 18,044	\$ 17,542	2.86%
Other Tax Items, incl. STAR	1,638	1,801	-9.07%
Charges for Services	190	146	29.90%
Use of Money & Property	296	9	3116.77%
Sale of Property & Compensation for Loss	10	7	42.86%
Miscellaneous	828	759	9.09%
State Sources	17,364	16,407	5.83%
Federal Sources	130	118	9.84%
Interfund Transfers	20	16	25.00%
Total Revenues	\$ 38,520	\$ 36,806	4.66%

*Note: Totals may not add due to rounding.*

**SOURCES OF REVENUES FOR FISCAL YEAR 2023**



Overall revenues were up \$1,714,000 or 4.7% from last year.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

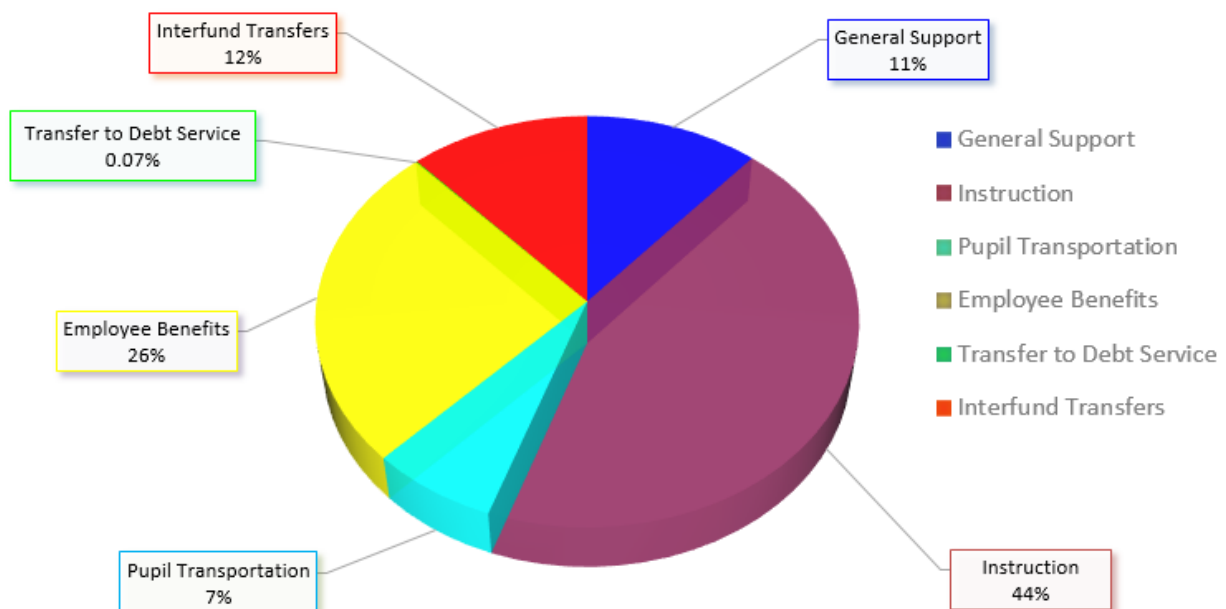
**General Fund Activity (in Thousands of Dollars) (Continued)**

Expenditures	2023	2022	% Change
General Support	\$ 4,271	\$ 4,931	-13.38%
Instruction	16,550	16,132	2.59%
Pupil Transportation	2,616	2,319	12.81%
Community Service	-	-	0.00%
Employee Benefits	9,702	9,168	5.83%
Debt Service	26	18	46.41%
Interfund Transfers	4,439	3,690	20.30%
Total Expenditures	<u>\$ 37,604</u>	<u>\$ 36,257</u>	<u>3.72%</u>

*Note: Totals may not add due to rounding.*

The expenditures increased \$1.3 million or 4%. The largest cost increase was in the Interfund Transfer category which represents a difference of \$749 thousand. Instruction, pupil transportation, employee benefits and debt service represent a total increase of \$1.26 million. General Support experienced a decrease of \$660 thousand.

**SOURCES OF EXPENSES FOR FISCAL YEAR 2023**



SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	2023	2022	% Change
Land	\$ 50	\$ 50	0.00%
Construction In Progress	1,195	0	0.00%
Building and Improvements	56,126	56,064	0.11%
Infrastructure	1,002	1,002	0.00%
Machinery and Equipment	1,847	2,020	-8.56%
Vehicles	202	159	27.04%
Total	60,422	59,295	1.90%
Accumulate Depreciation	27,457	26,141	5.03%
Total Capital Assets, Net	32,965	33,154	-0.57%

#### Capital Assets

The District has \$33 million invested in capital assets, net of \$27.5 million in accumulated depreciation, as of June 30, 2023. During the year ended June 30, 2023, \$1.4 million was expended on furniture, equipment and capital construction. Depreciation for the year ended June 30, 2023, was \$1.6 million.

#### Debt

As of June 30, 2023, the District has \$3.2 million in outstanding bonds payable, a net reduction of \$3 million during the year. The District paid \$199 thousand in interest throughout the year. In October 2022, a voter referendum was passed to approve capital work totaling \$25,855,000 of which \$3,363,635 will come out of the 2016 Capital Reserve. This would leave a balance of \$22,491,365 to bond. This referendum will result in the new debt going on the books as the old debt comes off the books allowing for a smooth transition that will minimize the effect on the tax levy and tax payers.

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

The Board of Education received voter approval on the budget that has a 2.5% increase on the tax levy for the 2023-24 year. This budget is within the tax levy limit. The Board of Education has continued to present a budget that follows their financial plan. Moreover, as in the past, Sullivan West remains committed to seek and implement cost savings and efficiencies throughout the district's operations in an effort to stabilize taxes for our constituents.

All contracts with staff are settled. Agreements for all personnel are critical to planning future budgets and understanding our financial position.

#### Contacting the District's Financial Management

It is the intent of this report 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 funds it receives. If you have any questions about this report or need additional information, contact the Business Office at Sullivan West Central School District; 33 Schoolhouse Road; Jeffersonville, NY 12748.



SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30,

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets:		
Cash	\$ 13,060,930	\$ 14,161,549
Cash - Restricted	8,949,846	7,559,276
Accounts Receivable	15,988	12,515
State and Federal Aid Receivable	1,785,715	1,672,188
Due From Other Governments	702,222	442,713
Inventory	<u>32,399</u>	<u>37,675</u>
Total Current Assets	<u>24,547,100</u>	<u>23,885,916</u>
Non-Current Assets:		
Net Pension Asset	-	11,216,236
Capital Assets, net	<u>32,964,370</u>	<u>33,153,377</u>
Total Non-Current Assets	<u>32,964,370</u>	<u>44,369,613</u>
TOTAL ASSETS	<u>57,511,470</u>	<u>68,255,529</u>
DEFERRED OUTFLOW OF RESOURCES		
Pensions	7,774,188	7,659,562
OPEB Liability	<u>10,146,844</u>	<u>12,379,161</u>
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>17,921,032</u>	<u>20,038,723</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30,

(Continued)

	<u>2023</u>	<u>2022</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 745,019	\$ 504,634
Accrued Liabilities	326,087	540,380
Due To Other Governments	1,416,417	2,010,408
Due To TRS	1,244,106	1,129,943
Due To ERS	195,812	175,268
Unearned Revenues	<u>12,181</u>	<u>9,226</u>
Total Current Liabilities	<u>3,939,622</u>	<u>4,369,859</u>
LIABILITIES		
Non-Current Liabilities		
Due Within One Year:		
Bonds Payable	3,170,000	3,080,000
Unamortized Bond Premium	38,204	39,204
Installment Purchase	24,531	17,393
Retirement Incentives	130,000	80,000
Total OPEB Liability	2,800,000	2,500,000
Due Beyond One Year:		
Bonds Payable	-	3,170,000
Unamortized Bond Premium	30,404	68,608
Installment Purchase	15,026	17,574
Retirement Incentives	80,000	60,000
Total OPEB Liability	81,190,758	91,842,958
Compensated Absences	670,141	642,332
Net Pension Liability	<u>3,250,128</u>	<u>-</u>
Total Non-Current Liabilities	<u>91,399,192</u>	<u>101,518,069</u>
TOTAL LIABILITIES	<u>95,338,814</u>	<u>105,887,928</u>
DEFERRED INFLOWS OF RESOURCES		
Pensions	620,157	14,161,315
OPEB Liability	<u>11,998,205</u>	<u>4,858,432</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>12,618,362</u>	<u>19,019,747</u>
NET POSITION		
Net Investment in Capital Assets	29,686,205	26,760,598
Restricted	8,949,846	7,559,276
Unrestricted	<u>(71,160,725)</u>	<u>(70,933,297)</u>
TOTAL NET POSITION	<u>\$ (32,524,674)</u>	<u>\$ (36,613,423)</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023  
(WITH COMPARATIVE NET FIGURES FOR THE YEAR ENDED JUNE 30, 2022)

	<u>PROGRAM REVENUES</u>				<u>NET (EXPENSE)</u> <u>REVENUE AND</u> <u>CHANGE IN NET</u> <u>POSITION</u>	<u>2022</u>
	<u>EXPENSES</u>	<u>CHARGES FOR</u> <u>SERVICES</u>	<u>OPERATING</u> <u>GRANTS AND</u> <u>CONTRIBUTIONS</u>	<u>CAPITAL</u> <u>GRANTS AND</u> <u>DONATIONS</u>		
<b>FUNCTIONS/PROGRAMS</b>						
General Support	\$ 5,653,109	\$ -	\$ 50,682	\$ -	\$ (5,602,427)	\$ (4,502,771)
Instruction	28,868,585	189,864	2,511,027	233,505	(25,934,189)	(25,913,328)
Pupil Transportation	2,796,479	-	79,624	-	(2,716,855)	(2,432,487)
Debt Service	160,417	-	-	-	(160,417)	(243,898)
School Lunch Program	594,276	214,055	319,384	-	(60,837)	77,807
<b>TOTAL FUNCTIONS/PROGRAMS</b>	<u>38,072,866</u>	<u>403,919</u>	<u>2,960,717</u>	<u>233,505</u>	<u>(34,474,725)</u>	<u>(33,014,677)</u>
<b>GENERAL REVENUES</b>						
Real Property Tax					18,043,652	17,541,574
Other Tax Items					1,637,727	1,801,436
Investment Earnings					400,933	9,182
Sale Of Property and Compensation For Loss					9,557	7,115
Miscellaneous Local Sources					976,804	869,415
State Sources					17,365,188	16,407,171
Federal Sources					129,613	118,356
<b>TOTAL GENERAL REVENUES</b>					<u>38,563,474</u>	<u>36,754,249</u>
<b>CHANGE IN NET POSITION</b>					4,088,749	3,739,572
<b>TOTAL NET POSITION- Beginning of Year</b>					<u>(36,613,423)</u>	<u>(40,352,995)</u>
<b>TOTAL NET POSITION- End of Year</b>					<u><u>\$ (32,524,674)</u></u>	<u><u>\$ (36,613,423)</u></u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	<u>GENERAL</u>	<u>SPECIAL AID</u>	<u>SCHOOL LUNCH</u>	<u>CAPITAL PROJECTS</u>	<u>NON-MAJOR</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>	<u>2022 TOTALS</u>
ASSETS							
Cash	\$ 7,803,126	\$ 46,887	\$ 190,235	\$ 3,324,220	\$ 1,696,462	\$ 13,060,930	\$ 14,161,549
Cash - Restricted	8,762,614	-	-	-	187,232	8,949,846	7,559,276
Accounts Receivable	15,988	-	-	-	-	15,988	12,515
Due From Other Funds	1,035,572	-	-	1,388,896	-	2,424,468	2,694,420
Due From State and Federal	323,402	958,866	26,678	476,769	-	1,785,715	1,672,188
Due From Other Governments	700,726	1,496	-	-	-	702,222	442,713
Inventories	-	-	32,399	-	-	32,399	37,675
TOTAL ASSETS	<u>\$ 18,641,428</u>	<u>\$ 1,007,249</u>	<u>\$ 249,312</u>	<u>\$ 5,189,885</u>	<u>\$ 1,883,694</u>	<u>\$ 26,971,568</u>	<u>\$ 26,580,336</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 423,070	\$ 28,805	\$ 79	\$ 293,065	\$ -	\$ 745,019	\$ 504,634
Accrued Liabilities	291,676	2,207	1,476	-	-	295,359	509,370
Due To Other Funds	1,388,896	933,519	102,053	-	-	2,424,468	2,694,420
Due To Other Governments	1,376,390	39,976	51	-	-	1,416,417	2,010,408
Due To Teachers' Retirement System	1,244,106	-	-	-	-	1,244,106	1,129,943
Due To Employees' Retirement System	187,954	-	7,858	-	-	195,812	175,268
Unearned Revenues	-	2,742	9,439	-	-	12,181	9,226
TOTAL LIABILITIES	<u>4,912,092</u>	<u>1,007,249</u>	<u>120,956</u>	<u>293,065</u>	<u>-</u>	<u>6,333,362</u>	<u>7,033,269</u>

SEE ACCOMPANYING NOTES AND AUDITOR'S OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	<u>GENERAL</u>	<u>SPECIAL AID</u>	<u>SCHOOL LUNCH</u>	<u>CAPITAL PROJECTS</u>	<u>NON-MAJOR</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>	<u>2022 TOTALS</u>
FUND BALANCES							
Non-spendable:							
Inventory	\$ -	\$ -	\$ 32,399	\$ -	\$ -	\$ 32,399	\$ 37,675
Restricted:							
Tax Certiorari	382,278	-	-	-	-	382,278	349,620
Unemployment Insurance	72,086	-	-	-	-	72,086	71,474
Employee Benefit Accrued Liability	520,527	-	-	-	-	520,527	503,577
Workers Compensation	1,957,205	-	-	-	-	1,957,205	966,176
Retirement Contribution - ERS	1,250,482	-	-	-	-	1,250,482	1,071,335
Retirement Contribution - TRS	100,881	-	-	-	-	100,881	100,044
Mandatory Reserve for Debt Service	899,093	-	-	-	-	899,093	866,404
Repairs	84,008	-	-	-	-	84,008	83,311
Scholarships	-	-	-	-	187,232	187,232	183,700
Capital	3,496,054	-	-	-	-	3,496,054	3,363,635
Assigned:							
Encumbrances	760,866	-	-	-	-	760,866	1,402,600
Appropriated	2,534,000	-	-	-	-	2,534,000	2,400,000
Unappropriated	-	-	95,957	4,896,820	1,696,462	6,689,239	6,511,792
Unassigned	1,671,856	-	-	-	-	1,671,856	1,635,724
TOTAL FUND BALANCES	<u>13,729,336</u>	<u>-</u>	<u>128,356</u>	<u>4,896,820</u>	<u>1,883,694</u>	<u>20,638,206</u>	<u>19,547,067</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 18,641,428</u>	<u>\$ 1,007,249</u>	<u>\$ 249,312</u>	<u>\$ 5,189,885</u>	<u>\$ 1,883,694</u>	<u>\$ 26,971,568</u>	<u>\$ 26,580,336</u>

SEE ACCOMPANYING NOTES AND AUDITOR'S OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
RECONCILIATION OF GOVERNMENTAL FUNDS  
BALANCE SHEET WITH THE STATEMENT OF NET POSITION  
JUNE 30, 2023  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	<u>2023</u>	<u>2022</u>
Total Governmental Fund Balances	\$ 20,638,206	\$ 19,547,067
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of capital assets and accumulated depreciation at June 30, 2023 are \$60,421,723 and \$27,457,353, respectively.	32,964,370	33,153,377
Proportionate share of long-term asset and liability associated with participation in State Retirement Systems are not current financial resources or obligations and are not reported in the governmental funds.		
Deferred Outflows of Resources	7,774,188	
Net Pension Asset (Liability)	(3,250,128)	
Deferred Inflows of Resources	<u>(620,157)</u>	3,903,903
		4,714,483
Long-term asset and liability associated with the Total OPEB Liability are not current financial resources or obligations and are not reported in the governmental funds.		
Deferred Outflows of Resources	10,146,844	
Deferred Inflows of Resources	(11,998,205)	
Total OPEB Liability	<u>(83,990,758)</u>	(85,842,119)
		(86,822,229)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Compensated Absences	(670,141)	
Unamortized Bond Premium	(68,608)	
Serial Bonds	(3,170,000)	
Installment Purchase	(39,557)	
Retirement Incentive	<u>(210,000)</u>	(4,158,306)
		(7,175,111)
Accrued interest on debt is reported in the statement of net position, regardless of when due. In the governmental funds, interest is not reported until it is due.	<u>(30,728)</u>	<u>(31,010)</u>
Net Position of Governmental Activities	<u>\$ (32,524,674)</u>	<u>\$ (36,613,423)</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2023  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	<u>GENERAL</u>	<u>SPECIAL AID</u>	<u>SCHOOL LUNCH</u>	<u>CAPITAL PROJECTS</u>	<u>NON-MAJOR</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>	<u>2022 TOTALS</u>
REVENUES							
Real Property Taxes	\$ 18,043,652	\$ -	\$ -	\$ -	\$ -	\$ 18,043,652	\$ 17,541,574
Other Tax Items	1,637,727	-	-	-	-	1,637,727	1,801,436
Charges For Services	189,864	-	-	-	-	189,864	146,268
Use of Money and Property	296,047	-	-	-	104,886	400,933	13,233
Sale of Property and Compensation For Loss	9,557	-	-	-	-	9,557	7,115
Miscellaneous Local Sources	828,209	14,974	325	-	149,429	992,937	892,610
State Sources	17,365,188	279,444	7,936	233,505	-	17,886,073	16,863,200
Federal Sources	129,613	2,346,081	311,448	-	-	2,787,142	2,953,934
Sales	-	-	213,730	-	-	213,730	87,710
TOTAL REVENUES	38,499,857	2,640,499	533,439	233,505	254,315	42,161,615	40,307,080
OTHER FINANCING SOURCES							
Operating Transfers In	20,289	101,483	8,500	1,050,000	3,279,219	4,459,491	3,705,519
Proceeds of Long-Term Debt	-	-	-	29,774	-	29,774	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	38,520,146	2,741,982	541,939	1,313,279	3,533,534	46,650,880	44,012,599
EXPENDITURES							
General Support	4,271,461	53,268	-	-	-	4,324,729	4,978,973
Instruction	16,550,253	2,110,014	-	-	140,060	18,800,327	18,189,103
Pupil Transportation	2,616,412	98,496	-	-	-	2,714,908	2,406,306
Employee Benefits	9,701,514	459,915	58,810	-	-	10,220,239	9,765,802
Debt Service:							
Principal	25,184	-	-	-	3,080,000	3,105,184	3,007,213
Interest	684	-	-	-	199,219	199,903	297,813
Cost of Sales	-	-	511,350	-	-	511,350	490,773
Capital Outlay	-	-	-	1,223,610	-	1,223,610	319,439
TOTAL EXPENDITURES	33,165,508	2,721,693	570,160	1,223,610	3,419,279	41,100,250	39,455,422
OTHER USES							
Operating Transfers Out	4,439,202	20,289	-	-	-	4,459,491	3,705,519
TOTAL EXPENDITURES AND OTHER USES	37,604,710	2,741,982	570,160	1,223,610	3,419,279	45,559,741	43,160,941
NET CHANGE IN FUND BALANCE	915,436	-	(28,221)	89,669	114,255	1,091,139	851,658
FUND BALANCE - Beginning of Year	12,813,900	-	156,577	4,807,151	1,769,439	19,547,067	18,695,409
FUND BALANCE - End of Year	\$ 13,729,336	\$ -	\$ 128,356	\$ 4,896,820	\$ 1,883,694	\$ 20,638,206	\$ 19,547,067

SEE ACCOMPANYING NOTES AND AUDITOR'S OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	<u>2023</u>	<u>2022</u>
Total Net Change in Fund Balances – Governmental Funds	\$ 1,091,139	\$ 851,658
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.		
Depreciation Expenses	(1,551,128)	
Capital Outlay	<u>1,371,325</u>	(179,803)
		(1,297,482)
Repayments of principal on long term debt are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
Serial Bonds	3,080,000	
Installment Purchase	<u>25,184</u>	3,105,184
		3,007,213
In the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).		
Compensated Absences	(28,809)	
Retirement Incentives	<u>(70,000)</u>	(97,809)
		(93,072)
(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.		
Teachers' Retirement System	(387,082)	
Employees' Retirement System	<u>(423,498)</u>	(810,580)
		1,966,081
(Increases) decreases in total OPEB 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.		
Total OPEB Liability	980,110	(742,995)

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION



SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

(Continued)

	<u>2023</u>	<u>2022</u>
In the governmental funds, the gross proceeds from the sale of assets are reported as revenues. In the statement of activities, the revenues are reduced by the net book value of the disposed asset.	\$ (9,204)	\$ (5,746)
Bond premiums are reported in the governmental funds as revenues in the year the bonds are issued. However, on the statement of activities, the premiums are added to the outstanding bond liability and amortized over the life of the bonds.		
Amortization Expense	39,204	39,204
In the governmental funds, proceeds of long term debt are reported as revenues. In the statement of net position, the proceeds increase the long term liability, and no revenue is recognized in the statement of activities.		
Installment Debt	(29,774)	-
In the statement of activities, interest on debt is accrued, regardless of when due. In the governmental funds, interest is reported when due.		
Current Year Accrued Interest	(30,728)	
Prior Year Accrued Interest	<u>31,010</u>	<u>14,711</u>
Change in Net Position of Governmental Activities	<u>\$ 4,088,749</u>	<u>\$ 3,739,572</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2023

	CUSTODIAL <u>FUND</u>
ASSETS	
Cash	\$ <u>          -</u>
TOTAL ASSETS	<u>                  -</u>
NET POSITION	
Restricted for Individuals, Organizations or Other Governments	<u>                  -</u>
TOTAL NET POSITION	\$ <u><u>                  -</u></u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED JUNE 30, 2023

	CUSTODIAL <u>FUND</u>
ADDITIONS	
Taxes Collected For Other Governments	\$ <u>1,003,723</u>
TOTAL ADDITIONS	<u>1,003,723</u>
DEDUCTIONS	
Taxes Paid To Other Governments	<u>1,003,723</u>
TOTAL DEDUCTIONS	<u>1,003,723</u>
Change in Net Position	-
NET POSITION - Beginning Of Year	<u>-</u>
NET POSITION - End Of Year	<u><u>\$ -</u></u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Sullivan West Central School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

**A. Financial Reporting Entity**

The Sullivan West Central School District is governed by the Education Law and other laws of the State of New York. The governing body is the Board of Education. The scope of activities included within the accompanying financial statements are those transactions which comprise School District operations, and are governed by, or significantly influenced by, the Board of Education.

Essentially, the primary function of the School District is to provide education for pupils. Services such as transportation of pupils, administration, finance, and plant maintenance support the primary function.

The financial reporting entity includes all funds, account groups, functions and organizations over which the School District officials exercise oversight responsibility. Oversight responsibility is determined on the basis of the financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

**1. Included in the Reporting Entity**

Based on the foregoing criteria and the significant factors presented below, the following organizations, functions or activities are included in the reporting entity:

**a. The Extraclassroom Activity Funds**

The Extraclassroom Activity Funds of the Sullivan West Central School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the School District with respect to its financial transactions, and the designation of student management. Separate audited general purpose financial statements (cash basis) of the extraclassroom activity funds can be found within these financial statements.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**B. Joint Venture**

The Sullivan West Central School District is one of the eight component school districts in the Sullivan County Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of School Districts in a geographic area that share planning, services, and programs which provide educational and support activities.

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

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

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

**C. Basis of Presentation**

1. District-wide statements:

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

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

2. Fund financial statements:

The fund statements provide information about the District's funds. 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:

a. *General Fund*

The General Fund is the principal operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund.

b. *Special Revenue Fund*

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or major capital projects) that are legally restricted to expenditure for specified purposes. Special revenue funds include the following funds:

1. Special Aid Fund – used to account for special operating projects or programs supported in whole, or in part, with federal funds or state or local grants.
2. School Lunch Fund – used to account for transactions of the School District lunch, breakfast, and milk programs.

c. *Capital Projects Fund*

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

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District reports the following non-major governmental funds.

a. *Miscellaneous Special Revenue Fund*

This fund is used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

b. *Debt Service Fund*

The Debt Service Fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities.

Additionally, the District reports the following fund type:

a. *Fiduciary Fund*

This fund is used to account for assets held by the government in a trustee or custodial capacity.

*Custodial Fund* – used to account for fiduciary activities that are not required to be reported in a private-purpose trust fund.

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

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

The 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 one year after the end of the fiscal year.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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**

1. Calendar

Real property taxes are levied annually by the Board of Education no later than September 1<sup>st</sup>, and become a lien on September 1<sup>st</sup>. Taxes are collected during the period commencing September 1<sup>st</sup> and ending November 6<sup>th</sup>.

2. Enforcement

Uncollected real property taxes are subsequently enforced by the County of Sullivan. An amount representing uncollected real property taxes transmitted to the County for enforcement is paid by the County to the School District no later than the forthcoming April 1<sup>st</sup>.

**F. Budgetary Procedures And Budgetary Accounting**

1. Budget Policies

The budget policies are as follows:

- a. The School District administration prepares a proposed budget for approval by the Board of Education for the following governmental fund types:

I. General Fund

- b. The proposed appropriation budget for the General Fund is approved by the voters within the District.
- c. Appropriations are adopted at the program level.



SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- d. Appropriations established by adoption of the budget constitute a limitation on expenditures and encumbrances which may be incurred. Appropriations lapse at the fiscal year end. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. There were no supplemental appropriations authorized during the year.

2. Encumbrances

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

3. Budget Basis of Accounting

Budgets are adopted annually on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

G. Cash and Cash Equivalents

For financial statement purposes, the District considers all highly liquid investments of three months or less as cash equivalents.

H. Inventory

Inventories of food and/or supplies in the School Lunch Fund are recorded at cost or, in the case of surplus food, at stated value which approximates market. Purchases of inventory items in other funds are recorded as expenditures at the time of purchase.

I. 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 be immaterial.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Capital Assets**

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their acquisition value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The capitalization threshold used by the District is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<b><u>ASSET CLASS</u></b>	<b><u>ESTIMATED USEFUL LIVES</u></b>
Buildings and Improvements	25-50
Furniture & Equipment	5-20
Vehicles	8

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the governmental fund financial statements.

**K. Unearned Revenue**

Unearned revenues arise when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when sources are received by the School District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the School District has legal claim to the resources, the liability for unearned revenues is removed and revenues are recognized.

**L. Vested Employee Benefits**

The District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods. Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation or death, employees may receive a payment based on unused accumulated sick leave, based on contractual provisions.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Consistent with GASB Statement 16, Accounting for Compensated Absences, an accrual for accumulated sick leave is included in the compensated absences liability at year-end. The compensated absences liability is calculated on the pay rates in effect at year-end.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year, in accordance with GAAP. For the governmental funds, in the fund financial statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

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 health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the District's employees may become eligible for these benefits if they reach 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 in the year paid. In the District-wide statements, the liability is reported at actuarially calculated amounts (See Note 10).

**M. Interfund Activity**

The amounts reported on the Statement of Net Position for due to and due from other funds represents amounts due between different fund types (governmental activities/business type activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the individual fund balances at year-end is provided subsequently in these Notes.

**N. Equity Classifications**

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, construction or improvement of those assets.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Order of Use of Net Position:

When an expense is incurred for which both restricted and unrestricted resources are available, the Board will assess the current financial condition of the District and determine which classification of net position will be charged.

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

Non-spendable – includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the School Lunch Fund of \$32,399.

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

Mandatory Reserve For Debt Service

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

Capital

Used to pay the cost of any object or purpose for which bonds may be issued. Voter authorization is required for both establishment of the reserve and payments from the reserve. This reserve is accounted for in the General Fund.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unemployment Insurance

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. This reserve is accounted for in the General Fund.

Tax Certiorari

This reserve is used to accumulate funds to pay judgments and claims anticipated from tax certiorari proceedings. Any excess monies must be returned to the General Fund on or before the first day of the fourth fiscal year after the deposit of the monies. This reserve is accounted for in the General Fund.

Workers' Compensation

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. The reserve is accounted for in the General Fund.

Repair

Used to pay the cost of repairs to capital improvements or equipment. The Board of Education may establish the reserve by majority vote. Voter approval is required to fund the reserve and expenditures may only be made after a public hearing. This reserve is accounted for in the General Fund.

Employee Benefit Accrued Liability

Used to reserve funds for the payment of any accrued employee benefit due an employee upon termination. The reserve is established by a majority vote of the Board of Education and is funded by budgetary appropriations and such other funds that may be legally appropriated. This reserve is accounted for in the General Fund.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Retirement Contribution

Used to pay contributions to the NYS Employee Retirement System and NYS Teachers Retirement System. This reserve is accounted for in the General Fund.

Scholarships

Proceeds of contributions that are restricted by the donor to the payment of scholarships. This reserve is accounted for in the Miscellaneous Special Revenue Fund.

Committed – includes amounts that can only be used for a specific purpose pursuant to constraints imposed by formal action of the District’s highest level of decision making authority before the end of the fiscal year, and requires the same level of formal action to remove the constraint. The Board of Education is the decision making authority that can, by resolution prior to the end of the fiscal year, commit fund balance. The District has no committed fund balances as of June 30, 2023.

Assigned – includes amounts that are subject to a purpose constraint that represents an intended use established by the government’s highest level of decision making authority, or by their designated official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance generally includes encumbrances in the General Fund and appropriated fund balance. The Board of Education is the decision making authority that can, by resolution, assign fund balance. The District reported encumbrances of \$760,866 as assigned fund balance in the General Fund as of June 30, 2023.

Unassigned – represents the residual classification for the General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the district’s General Fund budget for the ensuing fiscal year. Non-spendable 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.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Order of Use of Fund Balance:

When resources are available from multiple fund balance classifications, the Board will assess the current financial condition of the District and then determine the order of application of expenditures to which fund balance classification will be charged.

O. **Use of 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 amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

P. **New Accounting Standards**

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

GASB 91 – *Conduit Debt Obligations*.

GASB 93 – *Replacement of Interbank Offered Rates*, effective for the year ending June 30, 2022, except for the removal of LIBOR as an appropriate benchmark interest rate, which is effective for the year ending June 30, 2023.

GASB 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

GASB 96 – *Subscription-Based Information Technology Arrangements*

GASB 99 – *Omnibus 2022*, effective for the year ending June 30, 2023, except for the portion related to financial guarantees and classification and reporting of derivative instruments within the scope of GASB Statement No. 53, which is effective for the year ending June 31, 2024.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Q. Future Accounting Standards**

The Governmental Accounting Standards Board (GASB) has issued the following standards that will become effective in future fiscal years:

GASB 100 – *Accounting Changes and Error Corrections – an amendment of GASB No. 62*, effective for the year ending June 30, 2024.

GASB 101 – *Compensated Absences*, effective for the year ending June 30, 2025.

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

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

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

The government has three items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second item is the District contributions to the pension systems (TRS and ERS Systems) and OPEB subsequent to the measurement date. The third item relates to OPEB reporting in the district-wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience. The District reports \$7,774,188 in deferred outflows of resources related to pensions and \$10,146,844 in deferred outflows of resources related to the Total OPEB Liability as of June 30, 2023.

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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the



SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

effect of the net change in the District's proportion of the collective net pension liability (TRS and ERS System) and difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension system not included in pension expense. The second item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs. The District reports \$620,157 in deferred inflows of resources related to pensions and \$11,998,205 in deferred inflows of resources related to the Total OPEB Liability as of June 30, 2023.

The reporting of deferred outflows of resources and deferred inflows of resources related to pensions resulted in a net increase of \$7,154,031 to unrestricted net position as of June 30, 2023.

The reporting of deferred outflows of resources and deferred inflows of resources related to the Total OPEB Liability resulted in a net decrease of \$1,851,361 to unrestricted net position as of June 30, 2023.

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

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 differs from net position of governmental activities reported in the Statement of Net Position. The difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental fund balance sheet.

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

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories:

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

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

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 report 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 differences 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.

NOTE 3 – PARTICIPATION IN BOCES

During the year ended June 30, 2023, the Sullivan West Central School District was billed \$4,867,218 for BOCES administrative and program costs. General purpose financial statements for Sullivan County are available from the BOCES administrative office at 15 Sullivan Avenue, Suite 1, Liberty, NY 12754.

The School District’s share of BOCES income amounted to \$983,660.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 4 – CASH AND INVESTMENTS

The Sullivan West Central School District investment policies are governed by State statutes. In addition the District has its own written investment policy. Sullivan West Central School District monies must be deposited in FDIC-Insured commercial banks or trust companies located within the State. The treasurer is authorized to use demand accounts and certificates of deposit.

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

Collateral is required for time deposits and certificates of deposit not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and states other than New York and their municipalities and school districts.

The District's aggregate cash balances include balances not covered by depository insurance at year end, collateralized as follows:

Collateralized with securities held by the pledging financial  
institution, or its trust department, but not in the District's name:    \$ 22,710,032

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 5 – CAPITAL ASSETS

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

	BEGINNING BALANCE	<u>ADDITIONS</u>	RETIREMENTS/ <u>RECLASSIFICATIONS</u>	ENDING <u>BALANCE</u>
Governmental Activities:				
Capital assets that are not depreciated:				
Land	\$ 50,471	\$ -	\$ -	\$ 50,471
Construction In Progress	<u>-</u>	<u>1,194,864</u>	<u>-</u>	<u>1,194,864</u>
Total non-depreciable historical cost	<u>50,471</u>	<u>1,194,864</u>	<u>-</u>	<u>1,245,335</u>
Capital assets that are depreciated:				
Building and Improvements	56,063,776	61,766	-	56,125,542
Infrastructure	1,001,501	-	-	1,001,501
Machinery and Equipment	2,019,807	40,682	213,429	1,847,060
Vehicles	<u>159,255</u>	<u>74,013</u>	<u>30,983</u>	<u>202,285</u>
Total depreciable historical cost	<u>59,244,339</u>	<u>176,461</u>	<u>244,412</u>	<u>59,176,388</u>
Less accumulated depreciation:				
Building and Improvements	24,088,415	1,443,081	-	25,531,496
Infrastructure	275,417	25,033	-	300,450
Machinery and Equipment	1,653,421	73,051	207,411	1,519,061
Vehicles	<u>124,180</u>	<u>9,963</u>	<u>27,797</u>	<u>106,346</u>
Total Accumulated Depreciation	<u>26,141,433</u>	<u>1,551,128</u>	<u>235,208</u>	<u>27,457,353</u>
Total historical cost,	<u>\$ 33,153,377</u>	<u>\$ (179,803)</u>	<u>\$ 9,204</u>	<u>\$ 32,964,370</u>
Depreciation expense was charged to Governmental functions as follows:				
General Support		\$ 56,470		
Instruction		1,489,603		
School Lunch Program		<u>5,055</u>		
		<u>\$ 1,551,128</u>		

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 6 – INTERFUND TRANSACTIONS

Interfund balances at June 30, 2023 are as follows:

	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>	<u>INTERFUND REVENUES</u>	<u>INTERFUND EXPENDITURES</u>
General Fund	\$ 1,035,572	\$ 1,388,896	\$ 20,289	\$ 4,439,202
Special Aid Fund	-	933,519	101,483	20,289
Capital Fund	-	-	1,050,000	-
Debt Service Fund	1,388,896	-	3,279,219	-
School Lunch Fund	<u>-</u>	<u>102,053</u>	<u>8,500</u>	<u>-</u>
Total Governmental Activities	<u>\$ 2,424,468</u>	<u>\$ 2,424,468</u>	<u>\$ 4,459,491</u>	<u>\$ 4,459,491</u>

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position.

The District typically transfers funds from the General Fund to the Debt Service Fund to make debt service payments and to the Special Aid Fund to cover expenses that are not reimbursed by Federal or State Grants.

The District transfers investment income earned in the Capital Projects Fund to the Debt Service Fund for the purpose of making future debt service payments.

The District typically loans resources between funds for the purpose of relieving cash flow issues.

NOTE 7 – INVENTORY

Inventory in the School Lunch Fund at June 30, 2023 consisted of the following:

Food	27,315
Supplies	<u>5,084</u>
	<u>\$ 32,399</u>

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 8 - LIABILITIES

**A. Pension Plans and Post-Employment Benefits**

1. General Information

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

2. Plan Descriptions

a. Teachers' Retirement System (TRS)

As an employer, you make contributions to the New York State Teachers' Retirement System, a cost sharing, multiple employer defined benefit pension plan administered by the New York State Teachers' Retirement Board.

The System provides benefits to plan members and beneficiaries as authorized by the Education Law and Retirement and Social Security Law of the State of New York. The New York State TRS issued a publicly available financial report that contains financial statements and required supplementary information for the System. The report may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

b. Employees' Retirement System (ERS)

The New York State and Local Employees' Retirement System provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute, and benefits to employees are governed by the New York State Retirement and Social Security Law (NYRSSL). The system issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement System, Gov. Alfred E. Smith State Office Building, Albany, New York 12244.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 8 – LIABILITIES (Continued)

3. Funding Policy

Plan members who joined the Systems before July 27, 1976 are not required to make contributions. Those joining after July 27, 1976 and prior to January 1, 2010, with less than ten years of service, are required to contribute 3% of their salary.

Those joining the NYSERS on or after January 1, 2010 and before April 1, 2012, contribute 3% of their salary throughout their entire working career. Those joining after April 1, 2012 contribute 3% of their salary through March 31, 2013, and beginning April 1, 2013, contribute at rates ranging from 3% to 6%, dependent upon their salary, for their entire working career.

Those joining the NYSTRS on or after January 1, 2010 and before April 1, 2012 contribute 3.5% of their salary throughout their entire working career. Those joining on or after April 1, 2012 are required to contribute between 3% and 6%, dependent on their salary, for their entire working career.

For the NYSTRS, employers are required to contribute at an actuarially determined rate, currently 10.29% of the annually covered payroll for the fiscal year ended June 30, 2023. Rates applicable to the fiscal years ended June 30, 2022 and 2021, were 9.80% and 9.53%, respectively. For the NYSERS, the NYS Comptroller annually certifies the actuarially determined rates expressed used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

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

	<u>ERS</u>	<u>TRS</u>
2023	\$ 355,293	\$ 1,128,298
2022	435,058	1,042,741
2021	407,932	977,199

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 8 – LIABILITIES (Continued)

**B. Indebtedness**

1. Long-Term Debt

Long-Term Debt Interest

Interest Expense on long-term debt consisted of the following:

Interest Paid	\$ 199,903
Less: Interest Accrued in the Prior Year	(31,010)
Amortization of Bond Premium	(39,204)
Plus: Interest Accrued in the Current Year	<u>30,728</u>
Total Expense	<u>\$ 160,417</u>

Changes

The changes in the School District's indebtedness during the year ended June 30, 2023 are summarized as follows:

	<u>BALANCE</u> <u>07/01/22</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>06/30/23</u>	<u>AMOUNTS</u> <u>DUE WITHIN</u> <u>ONE YEAR</u>
Serial Bonds-General Obligations	\$ 6,250,000	\$ -	\$ 3,080,000	\$ 3,170,000	\$ 3,170,000
Unamortized Bond Premium	107,812	-	39,204	68,608	39,204
Installment Purchase Debt					
– Direct Borrowing (Restated)	34,967	29,774	25,184	39,557	24,531
Compensated Absences	642,332	27,810	-	670,142	-
Total OPEB Liability	94,342,958	5,097,519	15,449,719	83,990,758	2,800,000
Retirement Incentives	<u>140,000</u>	<u>240,000</u>	<u>170,000</u>	<u>210,000</u>	<u>130,000</u>
TOTAL	<u>\$ 101,518,069</u>	<u>\$ 5,395,103</u>	<u>\$ 18,764,107</u>	<u>\$ 88,149,065</u>	<u>\$ 6,163,735</u>

Additions and deletions to compensated absences are shown net since it is impractical to determine those amounts separately.

Maturity

The following is a statement of outstanding bonds:

<u>PURPOSE</u>	<u>ISSUE</u> <u>DATE</u>	<u>FINAL</u> <u>MATURITY</u>	<u>INTEREST</u> <u>RATE</u>	<u>OUTSTANDING</u> <u>06/30/23</u>
Refunded Bond	2012	2024	2.00%-5.00%	\$ 1,395,000
Refunded Bond	2021	2024	2.00%-5.00%	<u>1,775,000</u>
				<u>\$ 3,170,000</u>



SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 8 – LIABILITIES (Continued)

The following is a statement of outstanding installment purchase debt:

<u>PURPOSE</u>	<u>ISSUE DATE</u>	<u>FINAL MATURITY</u>	<u>INTEREST RATE</u>	<u>OUTSTANDING 06/30/23</u>
Network Printers	2020	2024	1.04%	\$ 17,574
Computer Network	2023	2026	5.12%	<u>21,983</u>
				<u>\$ 39,557</u>

The following is a summary of maturing debt service requirements.

<u>YEAR</u>	<u>Direct Borrowings</u>		<u>General Obligations</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2024	\$ 24,531	\$ 1,337	\$ 3,170,000	\$ 89,718
2025	7,321	788	-	-
2026	<u>7,705</u>	<u>404</u>	<u>-</u>	<u>-</u>
TOTAL	<u>\$ 39,557</u>	<u>\$ 2,529</u>	<u>\$ 3,170,000</u>	<u>\$ 89,718</u>

2. Short-Term Debt

The District had no short-term debt activity for the year ended June 30, 2023.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

A. Risk Financing and Related Insurance

The Sullivan West Central School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 9 – COMMITMENTS AND CONTINGENCIES (Continued)

B. **Tax Certiorari Proceedings**

The District may be liable for refunds related to tax assessment reviews brought on by various taxpayers. Individually, these claims would not have a material impact on the financial statements. However, in the aggregate, if settled unfavorably, they may be material to the financial statements. The outcome cannot be reasonably estimated at this time. The District has funded its Tax Certiorari Reserve to be prepared in the event of unfavorable outcomes.

C. **Other Items**

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

NOTE 10 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS

The District provides post employment coverage to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the District's contractual agreements.

**General Information about the OPEB Plan**

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

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 10 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS** (Continued)

*Benefits Provided* – The District provides eligible actives, retirees and dependents post-employment medical and prescription drug coverage through a self-insured Alt-PPO plan as part of the plan. The benefit terms vary based on the union contract that governs the employee and years of service with the District. The District also reimburses the cost of Medicare Part B premiums to both retirees and spouses. Employees depending on the bargaining unit, are required to contribute towards their health insurance on a sliding scale from 25% if they retire at 55 years and at least 10 years with the District. The District contributes the full cost of benefits for all other retirees. Upon the death of a retiree, the surviving spouse will contribute 100% of the premium.

*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	200
Active Employees	<u>165</u>
	<u><u>365</u></u>

**Total OPEB Liability**

The District's total OPEB liability of \$83,990,758 was measured as of July 1, 2022, using an actuarial valuation as of July 1, 2021 rolled forward to July 1, 2022.

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

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 10 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS (Continued)**

Actuarial Cost Method	Entry Age Normal – Level Percent Pay
Measurement Date	July 1, 2022
Long-Term Bond Rate	3.54%
Rate of Inflation	2.50%
Salary Scale	3.50%
Initial Healthcare Cost Trend Rate	7.00%
Ultimate Healthcare Cost Trend Rate	3.94%

The discount rate was based on a 20 year Bond GO Index.

Mortality rates were based on the PUB 2010 Mortality Table for employees, sex distinct, with generational adjusted to 2006 using scale MP-2014 and projected forward with scale MP-2021.

The actuarial assumptions used in the January 1, 2021 valuation were based on the results of an actuarial experience study as of July 1, 2022.

**Changes in the Total OPEB Liability**

Balance at July 1, 2022		\$ 94,342,958
Changes for the Year -		
Service Cost	3,042,709	
Interest	2,054,810	
Changes of Benefit Terms	-	
Differences between expended and actual experience	(4,713,877)	
Changes in assumptions or other inputs	(8,002,838)	
Expected Benefit Payments	<u>(2,733,004)</u>	
Net Changes		<u>(10,352,200)</u>
Balance at June 30, 2023		<u>\$ 83,990,758</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%) or 1 – percentage point higher (4.54%) than the current discount rate:

	1% Decrease <u>(2.54%)</u>	Current Assumption <u>(3.54%)</u>	1% Increase <u>(4.54%)</u>
Total OPEB Liability	<u>\$ 96,167,992</u>	<u>\$ 83,990,758</u>	<u>\$ 74,038,862</u>

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 10 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS (Continued)**

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trends 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 healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current discount rate:

	<u>1% Decrease</u>	<u>Current Assumption</u>	<u>1% Increase</u>
Total OPEB Liability	\$ <u>76,572,920</u>	\$ <u>83,990,758</u>	\$ <u>93,705,655</u>

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$2,766,849. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 5,699,321
Changes of assumptions or other inputs	6,399,885	6,298,884
Employer contributions subsequent to the measurement date	<u>3,746,959</u>	<u>-</u>
Total	<u>\$ 10,146,844</u>	<u>\$ 11,998,205</u>

District contributions subsequent to the measurement date of \$3,746,959 will be recognized as a reduction in the total OPEB Liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2024	\$ (520,318)
2025	(694,576)
2026	(2,535,699)
2027	(1,847,727)
2028	-
Thereafter	<u>-</u>
TOTAL	<u>\$ (5,598,320)</u>

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 11 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED  
OUTFLOWS/INFLOWS OF RESOURCES

Pension Plan Descriptions and Benefits Provided

Detailed descriptions of the New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) are included in Note 8-A to the financial statements.

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

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

	<u>ERS</u>	<u>TRS</u>
Actuarial valuation date	April 1, 2022	June 30, 2021
Net pension asset/(liability)	\$ (2,097,596)	\$ (1,152,532)
District's portion of the Plan's total net pension asset/(liability)	0.0097817%	0.060062%

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 11 PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED  
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

For the year ended June 30, 2023, the District recognized pension expense of \$778,747 for ERS and \$1,514,874 for TRS. At June 30, 2023, the District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 223,410	\$ 1,207,708	\$ 58,908	\$ 23,095
Changes of assumptions	1,018,728	2,235,717	11,259	464,273
Net difference between projected and actual earnings on pension plan investments	-	1,489,181	12,323	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	129,287	146,050	49,723	576
District's contributions subsequent to the measurement date	<u>195,809</u>	<u>1,128,298</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,567,234</u>	<u>\$ 6,206,954</u>	<u>\$ 132,213</u>	<u>\$ 487,944</u>

District contributions subsequent to the measurement date \$195,809 for ERS and \$1,128,298 for TRS will be recognized as a reduction of the net pension liability in the year June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>ERS</u>	<u>TRS</u>
Year ended:		
2023	\$ -	\$ 912,854
2024	304,213	492,262
2025	(98,975)	(164,714)
2026	449,563	2,946,730
2027	584,411	382,952
Thereafter	<u>-</u>	<u>20,628</u>
TOTAL	<u>\$ 1,239,212</u>	<u>\$ 4,590,712</u>

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 11 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED  
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

Actuarial Assumptions

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

The valuations used the following significant actuarial assumptions:

	<u>ERS</u>		<u>TRS</u>	
	<u>Current Year</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Prior Year</u>
Measurement date	March 31, 2023	March 31, 2022	June 30, 2022	June 30, 2021
Actuarial valuation date	April 1, 2022	April 1, 2021	June 30, 2021	June 30, 2020
Interest rate	5.9%	5.9%	6.95%	6.95%
Salary scale	4.4%	4.4%	1.95%-5.18%	1.95%-5.18%
Cost of Living Adjustments	1.5%	1.4%	1.3%	1.3%
Inflation rate	2.9%	2.7%	2.40%	2.40%

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

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



SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 11 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED  
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

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

	<u>ERS</u> March 31, 2023	<u>TRS</u> June 30, 2022
Measurement date		
Asset Type:		
Domestic Equity	4.3%	6.5%
International Equity	6.55	7.2
Real Estate	4.60	6.2
Opportunistic/ARS Portfolio	5.38	-
Domestic fixed income securities	-	1.1
Global Bonds	-	.06
Global Equities	-	6.9
Private Debt	-	5.3
Private Equities	7.50	10.0
High Yield Fixed Income Securities	-	9.9
Real Estate Debt	-	3.8
Cash Equivalents	(1.00)	(0.2)
Credit	5.43	(.3)
Real Asset	5.84	-
Fixed Income	1.5	-

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 employees will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 11 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED  
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

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

The following presents the District's proportionate share of the net pension 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 position 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:

<u>ERS</u>	1% Decrease ( <u>4.90%</u> )	Current Assumption ( <u>5.90%</u> )	1% Increase ( <u>6.90%</u> )
Employer's proportionate share of the net pension asset (liability)	\$ (5,068,989)	\$ (2,097,596)	\$ 385,349
<u>TRS</u>	1% Decrease ( <u>5.95%</u> )	Current Assumption ( <u>6.95%</u> )	1% Increase ( <u>7.95%</u> )
Employer's proportionate share of the net pension asset (liability)	\$ (10,626,886)	\$ (1,152,532)	\$ 6,815,337

Pension Plan Fiduciary Net Position

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

	<u>ERS (in thousands)</u> April 1, 2022	<u>TRS</u> June 30, 2021
Valuation date		
Employers' total pension asset/(liability)	\$ (232,627,259)	\$ (133,883,473,797)
Plan Net Position	<u>211,183,223</u>	<u>131,964,582,107</u>
Employer's net pension asset/(liability)	<u>\$ (21,444,036)</u>	<u>\$ (1,918,891,690)</u>
Ration of plan net position to the Employer's total pension asset/(liability)	90.78%	98.6%

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 11 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED  
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Accrued retirement contributions represent the projected employer contribution for the period of April 1 through June 30, based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2023 amounted to \$195,809.

For TRS, employer and employee contributions for the fiscal year ended June 30 are paid to the System in September, October, and November through a state aid intercept. Accrued retirement contributions as of June 30<sup>th</sup>, represent employee and employer contributions for the fiscal year ended June 30 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 \$1,244,106.

NOTE 12 – EVENTS OCCURRING AFTER REPORTING DATE

The District has evaluated events and transactions that occurred between June 30, 2023 and October 2, 2023, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

NOTE 14 – TAX ABATEMENTS

The District is subject to a tax abatement agreement entered into by the Sullivan County Industrial Development Agency and the Delaware County Industrial Development Agency pursuant to Title I of Article 18-A of the General Municipal Law of the State of New York. For the year ended June 30, 2023, the District received \$50,690 in tax abatement payments, which resulted in abated property taxes totaling \$94,701.

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, OTHER SOURCES, EXPENDITURES, OTHER USES AND CHANGES IN FUND BALANCE -  
BUDGET TO ACTUAL - GENERAL FUND  
YEAR ENDED JUNE 30, 2023  
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED JUNE 30, 2022)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2022 ACTUALS
REVENUES					
Local Sources:					
Real Property Taxes	\$ 17,977,036	\$ 17,977,036	\$ 18,043,652	\$ 66,616	\$ 17,541,574
Other Tax Items	1,790,472	1,790,472	1,637,727	(152,745)	1,801,436
Charges For Services	25,000	25,000	189,864	164,864	146,268
Use of Money and Property	2,500	2,500	296,047	293,547	9,182
Sale of Property and Compensation For Loss	-	-	9,557	9,557	7,115
Miscellaneous Local Sources	487,000	487,000	828,209	341,209	758,868
State Sources:					
Basic Formula	15,479,786	15,479,786	14,579,478	(900,308)	14,352,231
Lottery Aid	924,635	924,635	1,534,090	609,455	1,112,234
BOCES	1,080,804	1,080,804	983,660	(97,144)	782,102
Other	91,351	91,351	267,960	176,609	160,604
Federal Sources	35,000	35,000	129,613	94,613	118,356
TOTAL REVENUES	37,893,584	37,893,584	38,499,857	606,273	36,789,970
OTHER FINANCING SOURCES					
Operating Transfers In	400,000	400,000	20,289	(379,711)	15,649
TOTAL REVENUES AND OTHER FINANCING SOURCES	38,293,584	38,293,584	38,520,146	\$ 226,562	36,805,619
FUND BALANCE					
Appropriated Fund Balance	2,400,000	2,400,000			
Appropriated Reserves	199,445	199,445			
Prior Year Encumbrances	-	1,402,600			
TOTAL FUND BALANCE	2,599,445	4,002,045			
TOTAL REVENUES, OTHER FINANCING SOURCES AND FUND BALANCE	\$ 40,893,029	\$ 42,295,629			

SEE ACCOMPANYING NOTES AND AUDITOR'S OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, OTHER SOURCES, EXPENDITURES, OTHER USES AND CHANGES IN FUND BALANCE - BUDGET TO  
ACTUAL - GENERAL FUND  
YEAR ENDED JUNE 30, 2023  
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED JUNE 30, 2022)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	ENCUMBRANCES	VARIANCE FAVORABLE (UNFAVORABLE)	2022 ACTUALS
EXPENDITURES						
General Support:						
Board of Education	\$ 130,607	\$ 152,080	\$ 132,747	\$ -	\$ 19,333	\$ 114,409
Central Administration	260,883	274,145	254,135	-	20,010	244,619
Finance	812,138	668,557	591,875	7,250	69,432	609,720
Staff	191,790	230,102	144,248	439	85,415	138,071
Central Services	2,736,532	3,169,880	2,454,839	85,191	629,850	2,135,575
Special Items	726,500	742,190	693,617	-	48,573	1,688,448
Instructional:						
Instruction, Administration and Improvement	999,203	857,594	705,141	-	152,453	774,975
Teaching:						
Regular School	8,488,976	8,382,067	7,828,846	42,975	510,246	7,984,560
Programs For Children With Handicapped Conditions	5,116,823	5,513,834	4,754,152	4,481	755,201	4,033,185
Occupational Education	756,336	756,336	724,822	-	31,514	624,799
Special Schools	48,049	50,388	36,445	-	13,943	32,923
Instructional Media	1,117,926	2,207,848	1,301,824	257,088	648,936	1,467,835
Pupil Services	1,661,172	1,810,659	1,199,023	2,500	609,136	1,213,472
Pupil Transportation	2,945,800	2,908,472	2,616,412	149,499	142,561	2,318,953
Community Services	5,400	5,400	-	-	5,400	-
Employee Benefits	11,257,175	10,100,473	9,701,514	211,440	187,519	9,167,623
Debt Service:						
Principal	-	25,200	25,184	-	16	17,213
Interest	-	685	684	-	1	545
TOTAL EXPENDITURES	37,255,310	37,855,910	33,165,508	760,863	3,929,539	32,566,925
OTHER USES						
Operating Transfers Out	3,637,719	4,439,719	4,439,202	-	517	3,689,870
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 40,893,029</u>	<u>\$ 42,295,629</u>	<u>\$ 37,604,710</u>	<u>\$ 760,863</u>	<u>\$ 3,930,056</u>	<u>\$ 36,256,795</u>
NET CHANGE IN FUND BALANCE			915,436			548,824
FUND BALANCE - Beginning of Year			<u>12,813,900</u>			<u>12,265,076</u>
FUND BALANCE - End of Year			<u>\$ 13,729,336</u>			<u>\$ 12,813,900</u>

SEE ACCOMPANYING NOTES AND AUDITOR'S OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY  
YEAR ENDED JUNE 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 3,042,709	\$ 3,115,565	\$ 2,150,651	\$ 2,157,863	\$ 2,472,225	\$ 3,225,888
Interest	2,054,810	2,045,064	2,772,103	2,937,774	3,184,786	2,769,682
Changes of Benefit Terms	-	-	-	486,608	(5,649,464)	-
Differences Between Expected and Actual Experience	(4,713,877)	-	(5,122,550)	-	(8,140,867)	-
Changes of Assumptions	(8,002,838)	979,568	14,959,628	(33,886)	(1,987,889)	(11,946,340)
Benefit Payments	<u>(2,733,004)</u>	<u>(2,437,027)</u>	<u>(2,344,643)</u>	<u>(2,154,757)</u>	<u>(2,083,697)</u>	<u>(1,938,475)</u>
Net Change in Total OPEB Liability	(10,352,200)	3,703,170	12,415,189	3,393,602	(12,204,906)	(7,889,245)
Beginning Total OPEB Liability	<u>94,342,958</u>	<u>90,639,788</u>	<u>78,224,599</u>	<u>74,830,997</u>	<u>87,035,903</u>	<u>94,925,148</u>
Ending Total OPEB Liability	<u>\$ 83,990,758</u>	<u>\$ 94,342,958</u>	<u>\$ 90,639,788</u>	<u>\$ 78,224,599</u>	<u>\$ 74,830,997</u>	<u>\$ 87,035,903</u>
Covered Employee Payroll	<u>\$ 14,189,095</u>	<u>\$ 13,374,694</u>	<u>\$ 13,588,405</u>	<u>\$ 12,872,417</u>	<u>\$ 12,665,186</u>	<u>\$ 13,890,571</u>
Total OPEB Liability as a Percentage of Covered Payroll	592%	705%	667%	608%	591%	627%

**Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.**

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2023

Changes of Benefit Terms

None

Changes of Assumptions or Other Inputs

The change in the discount rate is as follows:

June 30, 2022 Measurement Date:	3.54%
June 30, 2021 Measurement Date:	2.14%

Trust Assets

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

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY  
YEAR ENDED JUNE 30, 2023

<u>TRS System</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
The District's proportion of the net pension asset (liability)	0.060062%	0.060608%	0.141270%	0.061924%	0.062375%	0.064280%	0.064531%	0.064378%	0.067972%
The District's proportionate share of the net pension asset (liability)	\$ (1,152,532)	\$ 10,502,744	\$ (3,903,682)	\$ 1,608,791	\$ 1,127,897	\$ 448,594	\$ (691,149)	\$ 6,686,744	\$ 7,571,701
The District's covered employee payroll	10,640,215	10,253,929	10,326,410	10,326,410	10,160,123	10,186,301	9,957,708	9,670,378	10,040,582
The District's proportionate share of the net pension asset (liability) as a percentage of covered employee payroll	10.83%	1.02%	37.80%	15.58%	11.10%	4.40%	6.94%	69.15%	75.41%
Plan Fiduciary net position as a percentage of the total pension liability	98.60%	113.20%	97.80%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%
<u>ERS System</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
The District's proportion of the net pension liability	0.0097817%	0.0087282%	0.0088457%	0.0097994%	0.0090414%	0.0090650%	0.0092540%	0.0086404%	0.008683%
The District's proportionate share of the net pension asset (liability)	\$ (2,097,596)	\$ 713,492	\$ (8,808)	\$ (2,594,928)	\$ (640,614)	\$ (292,568)	\$ (869,531)	\$ (1,386,801)	\$ (299,322)
The District's covered employee payroll	3,044,140	2,788,385	2,972,895	2,965,910	2,861,850	2,730,135	2,589,429	2,331,961	2,380,934
The District's proportionate share of the net pension liability as a percentage of covered employee payroll	68.91%	25.59%	0.29%	87.49%	22.38%	10.72%	33.58%	59.47%	12.57%
Plan Fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.7%	90.7%	97.9%

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION



SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS  
YEAR ENDED JUNE 30, 2023

TRS System

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,128,298	\$ 1,042,741	\$ 977,199	\$ 914,920	\$ 1,097,697	\$ 995,692	\$ 1,193,834	\$ 1,320,392	\$ 1,695,217	\$ 1,631,594
Contribution in relation to the contractually required contribution	<u>1,128,298</u>	<u>1,042,741</u>	<u>977,199</u>	<u>914,920</u>	<u>1,097,697</u>	<u>995,692</u>	<u>1,193,834</u>	<u>1,320,392</u>	<u>1,695,217</u>	<u>1,631,594</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contribution as a percentage of covered employee payroll	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%	16.25%

ERS System

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 355,293	\$ 435,058	\$ 407,932	\$ 411,027	\$ 428,452	\$ 432,842	\$ 418,301	\$ 448,339	\$ 417,105	\$ 485,817
Contribution in relation to the contractually required contribution	<u>355,293</u>	<u>435,058</u>	<u>407,932</u>	<u>411,027</u>	<u>428,452</u>	<u>432,842</u>	<u>418,301</u>	<u>448,339</u>	<u>417,105</u>	<u>485,817</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contribution as a percentage of covered employee payroll	11.67%	15.60%	13.72%	13.86%	14.97%	15.89%	16.15%	19.23%	17.52%	20.97%

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2023

	<u>DEBT SERVICE</u>	<u>MISCELLANEOUS SPECIAL REVENUE FUND</u>	<u>TOTAL NON-MAJOR GOVERNMENTAL FUNDS</u>
ASSETS			
Cash	\$ 1,588,985	\$ 107,477	\$ 1,696,462
Cash - Restricted	<u>-</u>	<u>187,232</u>	<u>187,232</u>
		.	
TOTAL ASSETS	<u>\$ 1,588,985</u>	<u>\$ 294,709</u>	<u>\$ 1,883,694</u>
FUND BALANCES			
Restricted:			
Scholarships	\$ -	\$ 187,232	\$ 187,232
Assigned:			
Unappropriated	<u>1,588,985</u>	<u>107,477</u>	<u>1,696,462</u>
TOTAL FUND BALANCES	<u>\$ 1,588,985</u>	<u>\$ 294,709</u>	<u>\$ 1,883,694</u>

SEE ACCOMPANYING NOTES AND AUDITOR'S OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2023

	<u>DEBT SERVICE</u>	<u>MISCELLANEOUS SPECIAL REVENUE FUND</u>	<u>TOTAL NON-MAJOR GOVERNMENTAL FUNDS</u>
REVENUES			
Use of Money and Property	\$ 98,805	\$ 6,081	\$ 104,886
Miscellaneous Local Sources	<u>-</u>	<u>149,429</u>	<u>149,429</u>
TOTAL REVENUES	98,805	155,510	254,315
OTHER FINANCING SOURCES			
Operating Transfers In	<u>3,279,219</u>	<u>-</u>	<u>3,279,219</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>3,378,024</u>	<u>155,510</u>	<u>3,533,534</u>
EXPENDITURES			
Instruction	-	140,060	140,060
Debt Service:			
Principal	3,080,000	-	3,080,000
Interest	<u>199,219</u>	<u>-</u>	<u>199,219</u>
TOTAL EXPENDITURES	<u>3,279,219</u>	<u>140,060</u>	<u>3,419,279</u>
NET CHANGE IN FUND BALANCE	98,805	15,450	114,255
FUND BALANCE - Beginning of Year	<u>1,490,180</u>	<u>279,259</u>	<u>1,769,439</u>
FUND BALANCE - End of Year	<u>\$ 1,588,985</u>	<u>\$ 294,709</u>	<u>\$ 1,883,694</u>

SEE ACCOMPANYING NOTES AND AUDITOR'S OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET  
GENERAL FUND  
YEAR ENDED JUNE 30, 2023

ADOPTED BUDGET	\$ 40,893,029
ADDITIONS:	
Encumbrances From Prior Year	<u>1,402,600</u>
FINAL BUDGET	<u>\$ 42,295,629</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
REAL PROPERTY TAX LIMIT  
YEAR ENDED JUNE 30, 2023

SECTION 1318 OF REAL PROPERTY TAX LAW CALCULATION

2023-2024 Voter Approved Expenditure Budget		\$ <u>41,796,295</u>
Maximum allowed (4% of Budget)		\$ <u>1,671,856</u>
General Fund Balance subject to Section 1318 of Real Property Tax Law:		
Unrestricted Fund Balance:		
Assigned Fund Balance	\$ 3,294,866	
Unassigned Fund Balance	<u>1,671,856</u>	
Total Unrestricted Fund Balance		4,966,722
Less:		
Appropriated Fund Balance	2,534,000	
Encumbrances included in Assigned Fund Balance	<u>760,866</u>	
Total Adjustments		<u>3,294,866</u>
General Fund Balance subject to Section 1318 of Real Property Tax Law:		\$ <u>1,671,856</u>
Actual Percentage		4.00%

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
SCHEDULE OF PROJECT EXPENDITURES  
CAPITAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2023

<u>PROJECT TITLE</u>	<u>I EXPENDITURES I</u>					<u>I METHODS OF FINANCING I</u>				<u>FUND BALANCE JUNE 30, 2023</u>
	<u>ORIGINAL APPROPRIATIONS</u>	<u>REVISED APPROPRIATIONS</u>	<u>PRIOR YEARS</u>	<u>CURRENT YEARS</u>	<u>TOTAL</u>	<u>UNEXPENDED BALANCE</u>	<u>LOCAL SOURCES</u>	<u>STATE SOURCES</u>	<u>TOTAL</u>	
High School Drainage	\$ 450,000	\$ 1,317,357	\$ 1,175,771	\$ -	\$ 1,175,771	\$ 141,586	\$ 1,317,357	\$ -	\$ 1,317,357	\$ 141,586
Elementary School Roof	1,600,000	2,100,000	2,065,927	-	2,065,927	34,073	2,100,000	-	2,100,000	34,073
Storage Buildings	675,000	675,000	727,693	-	727,693	(52,693)	675,000	-	675,000	(52,693)
Capital Project	2,698,000	2,698,000	2,418,083	-	2,418,083	279,917	2,698,000	-	2,698,000	279,917
Local Projects	950,000	3,386,158	2,199,082	1,472	2,200,554	1,185,604	3,261,158	125,000	3,386,158	1,185,604
Smart Schools Bond Act	425,059	582,674	349,169	233,505	582,674	-	-	582,674	582,674	-
New Roof & Temperature Control	3,799,300	6,002,428	2,785,236	-	2,785,236	3,217,192	6,002,428	-	6,002,428	3,217,192
HS & ES Upgrades	25,855,000	25,855,000	-	958,859	958,859	24,896,141	1,050,000	-	1,050,000	91,141
Lease Equipment	29,774	29,774	-	<u>29,774</u>	29,774	-	29,774	-	29,774	<u>-</u>
				<u>\$ 1,223,610</u>						<u>\$ 4,896,820</u>

SEE ACCOMPANYING NOTES AND AUDITORS’ OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NET INVESTMENT IN CAPITAL ASSETS  
JUNE 30, 2023

Capital Assets, Net	\$ 32,964,370
Less:	
Outstanding Bonds	(3,170,000)
Installment Purchase Debt	(39,557)
Unamortized Bond Premium	<u>(68,808)</u>
Net Investment In Capital Assets	<u>\$ 29,686,205</u>

SEE ACCOMPANYING NOTES AND AUDITORS' REPORT

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2023

<u>GRANTOR AGENCY</u>	<u>ASSISTANCE LISTING NUMBER</u>	<u>PASS- THROUGH GRANTORS NUMBER</u>	<u>EXPENDITURES CURRENT YEAR</u>
U.S. DEPARTMENT OF AGRICULTURE:			
Passed Through State Dept. of Education:			
National School Lunch Program	10.555	N/A	\$ 228,638
School Breakfast Program	10.553	N/A	<u>48,819</u>
Total Child Nutrition Cluster			<u>277,457</u>
COVID-19 - Pandemic EBT Food Benefit – State	10.649	N/A	1,256
EQAS Equipment Assistance	10.579	224NY394N810 3	21,516
Passed Through State Dept. of Health and Human Services:			
Commodity Supplement Food Program (Non-cash)	10.565	N/A	<u>32,735</u>
TOTAL U.S. DEPT. OF AGRICULTURE			<u>332,964</u>
U.S. DEPARTMENT OF EDUCATION			
Passed Through State Department of Education			
ESEA, Title I	84.010A	021-23-3280	360,504
IDEA, Part B	84.027A	032-23-1243	319,321
IDEA, Pre-School	84.173A	033-23-1243	<u>13,275</u>
Total Special Education Cluster			332,596
Title II, A	84.367A	147-23-3280	42,616
Title IV, SSAE Allocation	84.424A	204-23-3280	29,166
COVID-19 ARP Homeless II	84.425W	5218-21-3280	2,935
COVID-19 ARP ESSER III	84.425U	5880-21-3280	1,426,847
COVID-19-ARP Full Day UPK	84.425U	5870-23-9281	<u>139,872</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>2,334,536</u>
TOTAL FEDERAL EXPENDITURES			2,667,500
Disallowed from previous years:			
ESEA, Title I	84.010A	021-22-3280	<u>(9,971)</u>
TOTAL REVENUES RECOGNIZED			<u>\$ 2,657,529</u>



SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2022

1. GENERAL

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of the Sullivan West Central School District. The Sullivan West Central School District's reporting entity is defined in Note 1 to the District's basic financial statements. All federal financial assistance passed through other governmental agencies are included on the schedule.

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

2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the District's basic financial statements.

3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Federal financial assistance revenues are reported in the District's basic financial statements as follows:

Governmental Funds:	
Special Aid Fund	\$ 2,346,081
School Lunch Fund	<u>311,448</u>
 TOTAL	 \$ <u>2,657,529</u>

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

To the Board of Education of the  
Sullivan West Central School District  
Jeffersonville, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Sullivan West School District, New York as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Sullivan West School District, New York's basic financial statements and have issued our report thereon dated October 2, 2023.

**Report on Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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 have not been identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Sullivan West School District, New York's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed 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 result 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.

A handwritten signature in dark ink, reading "Cooper Armas LLP". The signature is written in a cursive, flowing style.

Mongaup Valley, New York  
October 2, 2023

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

To the Board of Education of the  
Sullivan West Central School District  
Jeffersonville, New York

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

**Opinion on Each Major Federal Program**

We have audited the Sullivan West Central School District, New York'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 the Sullivan West Central School District, New York's major federal programs for the year ended June 30, 2023. The Sullivan West Central School District, New York's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, 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 the Sullivan West Central School District, New York and to meet our ethical requirements, 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 on the Sullivan West Central School District, New York's compliance with the requirements referred to above.

## **Responsibilities of Management for Compliance**

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

## **Auditor's Responsibility for the Audit of Compliance**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Sullivan West Central School District, New York's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Sullivan West Central School District, New York's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Sullivan West Central School District, New York'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 dark ink, appearing to read "Cooper Armas LLP". The signature is written in a cursive, flowing style.

Mongaup Valley, New York  
October 2, 2023

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2023

Summary of Auditors' Results:

1. The auditors' report expresses an unmodified opinion on the financial statements of the Sullivan West Central School District.
2. There were no significant deficiencies disclosed during the audit of the financial statements of the Sullivan West Central School District.
3. No instances of non-compliance material to the financial statements of the Sullivan West Central School District, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. There were no significant deficiencies disclosed during the audit of internal control over major federal award programs.
5. The auditors' report on compliance for the major federal award programs for the Sullivan West Central School District expresses an unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516 (a) are reported on this schedule.
7. The programs tested as major programs included:

COVID-19 - CRRSA – ESSER III	84.425U
COVID-19 – ARP – Full Day UPK	84.425U
COVID-19 – ARP – HOMELESS II	84.425W
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. The Sullivan West Central School District was determined to be a low-risk auditee.

Findings – Financial Statement Audit

None

Findings and Questioned Costs – Major Federal Awards Program Audit

None

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2023

No findings noted in the prior year.



## INDEPENDENT AUDITORS' REPORT

To The President and Board Members of  
The Board of Education  
Sullivan West Central School District  
Jeffersonville, New York

### **Opinion**

We have audited the accompanying statements of assets, liabilities and fund balance – cash basis, of the Extraclassroom Activity Funds of the Sullivan West Central School District as of June 30, 2023, and the related statements of cash receipts, disbursements and changes in fund balance – cash basis for the year then ended, and the related notes to the financial statements, which collectively comprise the financial statements of the Extraclassroom Activity Funds of the Sullivan West Central School District as listed in the table of contents.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position – cash basis, of the Extraclassroom Activity Funds of the Sullivan West Central School District as of June 30, 2023, and the changes in financial position – cash basis, for the year then ended in accordance with the basis of accounting described in Note 2.

### **Basis for Opinion**

We draw attention to Note 2 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 these financial statements in accordance with the cash basis of accounting described in Note 2; 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.

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


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

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

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

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.

This report is intended solely for the information and use of the school board governing body and management of the Extraclassroom Activity Funds of Sullivan West Central School District, and for filing with the various offices and agencies of the State of New York. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



Mongaup Valley, New York  
October 2, 2023

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
EXTRACLASSROOM ACTIVITY FUND  
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCE-CASH BASIS  
JUNE 30, 2023

ASSETS	
Cash	<u>\$ 107,477</u>
 TOTAL ASSETS	 <u>107,477</u>
 FUND BALANCE	 <u>\$ 107,477</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
EXTRACLASROOM ACTIVITY FUND  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE- CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2023

<u>ACTIVITY</u>	<u>CASH &amp; FUND BALANCE 6/30/22</u>	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	<u>CASH &amp; FUND BALANCE 6/30/23</u>
High School Campus:				
Class of 2022	\$ 1,863	\$ 60	\$ 1,923	\$ -
Class of 2023	6,393	10,882	14,906	2,369
Class of 2024	4,533	21,498	15,039	10,992
Class of 2025	1,599	2,134	400	3,333
Class of 2026	12,395	714	385	12,724
Class of 2028	10,864		10,864	-
Class of 2029	-	33,081	18,182	14,899
Student Council	5,189	1,620	447	6,362
Agriculture Club	2,865	23,154	24,218	1,801
Band - HS	3,257	10,857	10,167	3,947
Band - Jr. High	5	-	-	5
Chorus	5,473	7,682	7,963	5,192
Drama Club	2,682	1		2,683
French Club	3,659	2,041	1,428	4,272
Musical Production Club	14,478	10,890	6,413	18,955
National Honor Society	1,378	1,387	1,880	885
Students Against Drunk Driving	911	-	-	911
Sales Tax Account	282	2,526	2,808	-
Spanish Club	5,638	1	779	4,860
School Store	1,296	13,004	13,615	685
Video Tech Club	122	-	-	122
Yearbook Club	8,220	3,337	2,055	9,502
Jeffersonville Campus:				
Memory Books	<u>2,457</u>	<u>3,726</u>	<u>3,205</u>	<u>2,978</u>
TOTALS	<u>\$ 95,559</u>	<u>\$ 148,595</u>	<u>\$ 136,677</u>	<u>\$ 107,477</u>

SEE ACCOMPANYING NOTES AND AUDITOR'S OPINION

SULLIVAN WEST CENTRAL SCHOOL DISTRICT  
EXTRACLASROOM ACTIVITY FUNDS  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1 - DESCRIPTION OF OPERATIONS

Student activity funds are defined by the New York State Education Department as “funds raised other than by taxation, or through charges of a Board of Education, for, by or in the name of a school, student body or any subdivision thereof.”

Activity funds are raised and expended by student bodies to promote the general welfare, education, and morale of all pupils, and to finance the normal, legitimate extracurricular activities of the student body organization.

The Superintendent of the District has responsibility and authority to implement all policies and rules pertaining to the supervision and administration of school activity funds in accordance with established policies and rules of the District’s Board of Education.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The books and records of the Extraclassroom Activity Funds of Sullivan West School District are maintained on the cash basis of accounting. Consequently, receipts and related assets are recognized when received rather than when earned, and disbursements are recognized when paid rather than when the obligation is incurred.

Interest Income

Interest income earned on the bank account during the year has been credited to the Student Council Fund.

Bank Charges

All bank service charges have been charged to the respective activity fund.

Inactive Accounts

Account balances of inactive clubs have been transferred to the Student Council Fund.