

EAST SYRACUSE MINOA
CENTRAL SCHOOL
DISTRICT

MANAGEMENT'S
DISCUSSION AND
ANALYSIS

AND

BASIC FINANCIAL
STATEMENTS

For the Year Ended
June 30, 2023

**EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
TABLE OF CONTENTS**

	<u>Page</u>
AUDITOR'S REPORTS	
Independent Auditor's Report	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-12
BASIC FINANCIAL STATEMENTS	
District-Wide Financial Statements	
• Statement of Net Position	13
• Statement of Activities	14
Fund Financial Statements	
• Balance Sheet – Governmental Funds	15
• Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	16
• Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	17
• Reconciliation of the Statement of Revenues and Expenditures of the Governmental Funds to the Statement of Activities	18
Fiduciary Fund Financial Statements	
• Statement of Fiduciary Net Position	19
• Statement of Changes in Fiduciary Net Position	20
Notes to Basic Financial Statements	21-46
REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS	
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – General Fund	47
Schedules of Changes in the District's Total OPEB Liability and Related Ratios	48
Schedules of District's Contributions	49
Schedules of District's Proportionate Share of the Net Pension Liability/Asset	50
OTHER SUPPLEMENTARY INFORMATION	
Schedules of Change from Original Budget to Revised Budget and Section 1318 of Real Property Tax Law Limit Calculation	51
Schedule of Project Expenditures – Capital Projects Fund	52
Net Investment in Capital Assets	53
SINGLE AUDIT REPORTS AND SCHEDULES	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	54
Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by The Uniform Guidance	55-56
Schedule of Expenditures of Federal Awards	57
Notes to Schedule of Expenditures of Federal Awards	58
Schedule of Findings and Questioned Costs – Federal Compliance Requirements	59
Status of Prior Year's Findings and Questioned Costs – Federal Compliance Requirements	60

D'Arcangelo & Co., LLP
Certified Public Accountants & Consultants

120 Lomond Court, Utica, N.Y. 13502-5950
315-735-5216 Fax: 315-735-5210

Independent Auditor's Report

Board of Education

East Syracuse Minoa Central School District

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the East Syracuse Minoa Central School District, as of June 30, 2023, and the respective changes in financial position, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the East Syracuse Minoa Central School District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the East Syracuse Minoa Central School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as listed in the table of contents, 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 and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the East Syracuse Minoa Central School District's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis as required by the New York State Education Department and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis 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*, and is also not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2023, on our consideration of the East Syracuse Minoa Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the East Syracuse Minoa Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering East Syracuse Minoa Central School District's internal control over financial reporting and compliance.

D'Arcangelo & Co., LLP

October 9, 2023

Utica, New York

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2023

The East Syracuse Minoa Central School District's discussion and analysis of financial performance provides an overall review of the District's financial activities for the fiscal years ended June 30, 2023 and 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole. This should be read in conjunction with the financial statements, which immediately follow this section.

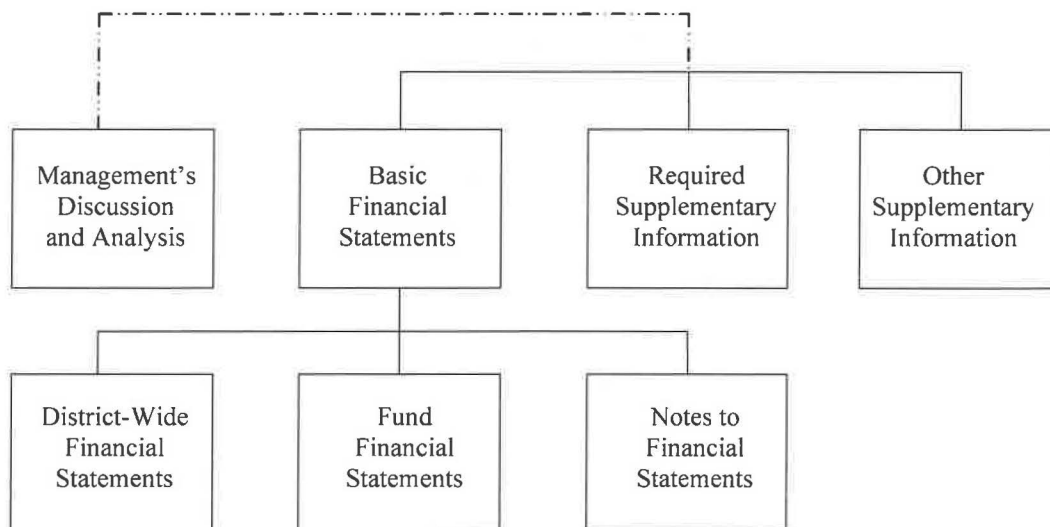
1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2023, are as follows:

- The District's total net position, as reflected in the District-Wide Financial Statements, increased by \$17,412,431 to a deficit balance of \$128,501,842. This is due to revenues exceeding expenses on the full accrual basis of accounting.
- The District's expenses for the year, as reflected in the District-wide financial statements, totaled \$85,950,894. Of this amount, \$2,417,462 was offset by program charges for services and \$8,997,517 by operating and capital grants and contributions. General revenues of \$91,948,346 amount to 89.0% of total revenues.
- The General Fund's total fund balance, as reflected in the fund financial statements on pages 15 and 17, increased by \$4,264,532 to \$20,481,310. This was due to a surplus of revenues over expenditures based on the modified accrual basis of accounting.
- The District received \$8,997,517 in operating and capital grants and contributions to support general, instructional and food service programs.
- State and federal revenue increased to \$36,546,576 in 2023 from \$33,636,701 in 2022.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: Management's Discussion and Analysis (MD&A), the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements consist of District-wide financial statements, fund financial statements, and notes to the financial statements. A graphic display of the relationship of these statements follows:



**EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2023**

(Continued)

A. District-wide Financial Statements

The District-wide financial statements are organized to provide an understanding of the fiscal performance of the District as a whole in a manner similar to a private sector business. There are two District-wide financial statements: the Statement of Net Position and the Statement of Activities. These statements provide both an aggregate and long-term view of the District's finances.

These statements utilize the accrual basis of accounting. This basis of accounting recognizes the financial effects of events when they occur, without regard to the timing of cash flows related to the events.

The Statement of Net Position

The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference as net position. Increases or decreases in the net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating, respectively.

The Statement of Activities

The Statement of Activities presents information showing the change in net position during the fiscal year. All changes in net position are recorded at the time the underlying financial event occurs. Therefore, revenues and expenses are reported in the statement for some items that will result in cash flow in future fiscal periods.

B. Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District also uses fund accounting to ensure compliance with finance-related legal requirements. The funds of the District are reported in the governmental funds and the fiduciary funds.

These statements utilize the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period that they become measurable and available. It recognizes expenditures in the period that they become measurable, funded through available resources and payable within a current period.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the District-wide financial statements. However, the governmental fund financial statements focus on shorter term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year for spending in future years. Consequently, the governmental fund statements provide a detailed short-term view of the District's operations and the services it provides.

Because the focus of governmental funds is narrower than that of District-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the District-wide financial statements. By doing so, you may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains six individual governmental funds; general fund, school lunch fund, special aid fund, miscellaneous special revenue fund, debt service fund, and capital projects fund, each of which is considered to be a major fund and is presented separately in the fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the District in its capacity as agent or trustee. All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. The fiduciary activities have been excluded from the District's District-wide financial statements because the District cannot use these assets to finance its operations.

**EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2023**

(Continued)

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

The District's total net position increased \$17,412,431 during the fiscal year ending June 30, 2023. A summary of the District's Statement of Net Position at June 30, 2023 and 2022, is as follows:

	2023	2022	Increase (Decrease)	Percentage Change
Current and Other Assets	\$ 31,073,172	\$ 34,021,477	\$ (2,948,305)	(8.7%)
Net Pension Asset - Proportionate Share		35,080,517	(35,080,517)	(100.0%)
Capital and Leased Assets, Net	<u>123,904,498</u>	<u>118,867,953</u>	<u>5,036,545</u>	4.2%
Total Assets	<u>154,977,670</u>	<u>187,969,947</u>	<u>(32,992,277)</u>	(17.6%)
Deferred Outflows of Resources	<u>50,611,767</u>	<u>59,645,539</u>	<u>(9,033,772)</u>	(15.1%)
Current Liabilities	7,033,816	48,504,087	(41,470,271)	(85.5%)
Net Pension Liability - Proportionate Share	9,608,013		9,608,013	100.0%
Non-Current Liabilities	<u>281,787,918</u>	<u>278,621,108</u>	<u>3,166,810</u>	1.1%
Total Liabilities	<u>298,429,747</u>	<u>327,125,195</u>	<u>(28,695,448)</u>	(8.8%)
Deferred Inflows of Resources	<u>35,661,532</u>	<u>66,404,564</u>	<u>(30,743,032)</u>	(46.3%)
Net Position				
Net Investment in Capital Assets	70,643,884	64,300,317	6,343,567	9.9%
Restricted	20,602,740	13,540,172	7,062,568	52.2%
Unrestricted (Deficit)	<u>(219,748,466)</u>	<u>(223,754,762)</u>	<u>4,006,296</u>	1.8%
Total Net Position (Deficit)	<u>\$ (128,501,842)</u>	<u>\$ (145,914,273)</u>	<u>\$ 17,412,431</u>	11.9%

Current and other asset decreased by \$2,948,305, as compared to the prior year primarily due to a decrease in cash of approximately \$1.7million and other receivables of \$1 million.

Capital and leased assets (net of depreciation and amortization) increased by \$6,180,439, as compared to the prior year. This increase is primarily due to additions exceeding the amount of depreciation for capital assets. Note 6 to the Financial Statements provides additional information.

The Net Pension Asset- Proportionate Share decreased by \$35,080,517, as compared to the prior year. The District's proportionate share is now a liability as discussed below.

Deferred outflows of resources decreased by \$9,033,772 as compared to the prior year primarily as a result of amounts provided by the actuaries for OPEB.

Current liabilities decreased by \$41,470,271, as compared to the prior year primarily due to a Bond Anticipation Note liability of \$38,400,000 being permanently financed into a bond of \$31,840,000.

The Net Pension Liability – Proportionate Share relating to the Employees' Retirement System increased by \$9,608,013, as compared to the prior year due to a change in the total pension liability for both Employee Retirement System (ERS) and Teachers Retirement System (TRS) from a net pension asset to a net pension liability. This is due to a change in the actuarially calculated portion of the statewide Pension systems.

Non-Current liabilities increased by \$3,166,810 as compared to the prior year. This increase is primarily a result of a bond issuance of \$31,840,000 and bond premiums of \$4,040,000 and offset by bond payments of \$1,890,000 and a decrease in Other Post-Employment Benefits liability of \$29,871,063 due to actuarial changes of assumptions and other inputs.

Deferred inflows of resources decreased by \$30,743,032 primarily due to the change in OPEB and pension assumptions as noted above and amounts provided by the actuaries for the OPEB and the Retirement Systems.

The net investment in capital assets is calculated by subtracting the amount of outstanding debt used for construction and leases from the total cost of all asset and lease acquisitions, net of accumulated depreciation and amortization. The total cost

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2023

(Continued)

of these acquisitions includes expenditures to purchase land, construct and improve buildings and purchase and lease vehicles, equipment and furniture to support District operations.

The restricted portion of the net position at June 30, 2023 is \$20,602,740 which represents the amount of the District's restricted funds in the General, Miscellaneous Special Revenue, Capital and Debt Service funds. See the chart on page 9 for additional details.

The unrestricted (deficit) portion of the net position at June 30, 2023, is \$219,748,466, and represents the amount by which the District's total liabilities and deferred inflows exceeded assets and deferred outflows, excluding restricted assets, capital and leased assets and debt related to capital construction and leases. Those liabilities include the District's accrual of \$228,526,473 in other post-employment benefits.

B. Changes in Net Position

The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format in the accompanying financial statements. In the accompanying financial statements STAR (school tax relief) revenue is included in the other tax items line. However, in this MD&A, STAR revenue has been combined with property taxes. A summary of this statement for the years ended June 30, 2023 and 2022 is as follows:

Revenues	2023	2022	Increase (Decrease)	Percentage Change
Program Revenues				
Charges for Services	\$ 2,417,462	\$ 2,035,216	\$ 382,246	18.8%
Operating Grants and Contributions	7,951,088	7,203,939	747,149	10.4%
Capital Grants and Contributions	1,046,429		1,046,429	100.0%
General Revenues				
Property Taxes and STAR	52,535,536	51,327,319	1,208,217	2.4%
Nonproperty Taxes	154,016	143,776	10,240	7.1%
State and Federal Sources	36,546,576	33,636,701	2,909,875	8.7%
Other	2,712,218	2,083,740	628,478	30.2%
Total Revenues	<u>103,363,325</u>	<u>96,430,691</u>	<u>6,932,634</u>	7.2%
Expenses				
General Support	6,987,791	7,556,577	(568,786)	(7.5%)
Instruction	67,958,571	63,386,822	4,571,749	7.2%
Pupil Transportation	5,861,491	5,213,185	648,306	12.4%
Community Service	784	936	(152)	(16.2%)
Debt Service-Unallocated Interest	1,890,408	737,800	1,152,608	156.2%
Food Service Program	3,251,849	1,888,883	1,362,966	72.2%
Total Expenses	<u>85,950,894</u>	<u>78,784,203</u>	<u>7,166,691</u>	9.1%
Total Change in Net Position	<u>\$ 17,412,431</u>	<u>\$ 17,646,488</u>	<u>\$ (234,057)</u>	-1.3%

The District's revenues increased by \$6,932,634 in 2023 or 7.2%. The major factors that contributed to the increase were:

- Operating grants and contributions and Capital grants and contributions revenue increased by \$747,149 and \$1,046,429, respectively, due to new grants received relating to the SSBA Funding.
- Property Taxes and STAR increased by \$1,208,217 or 2.4% due to property rate increase.
- State aid increasing by approximately \$2.1 million and Federal aid increased by approximately \$600,000.

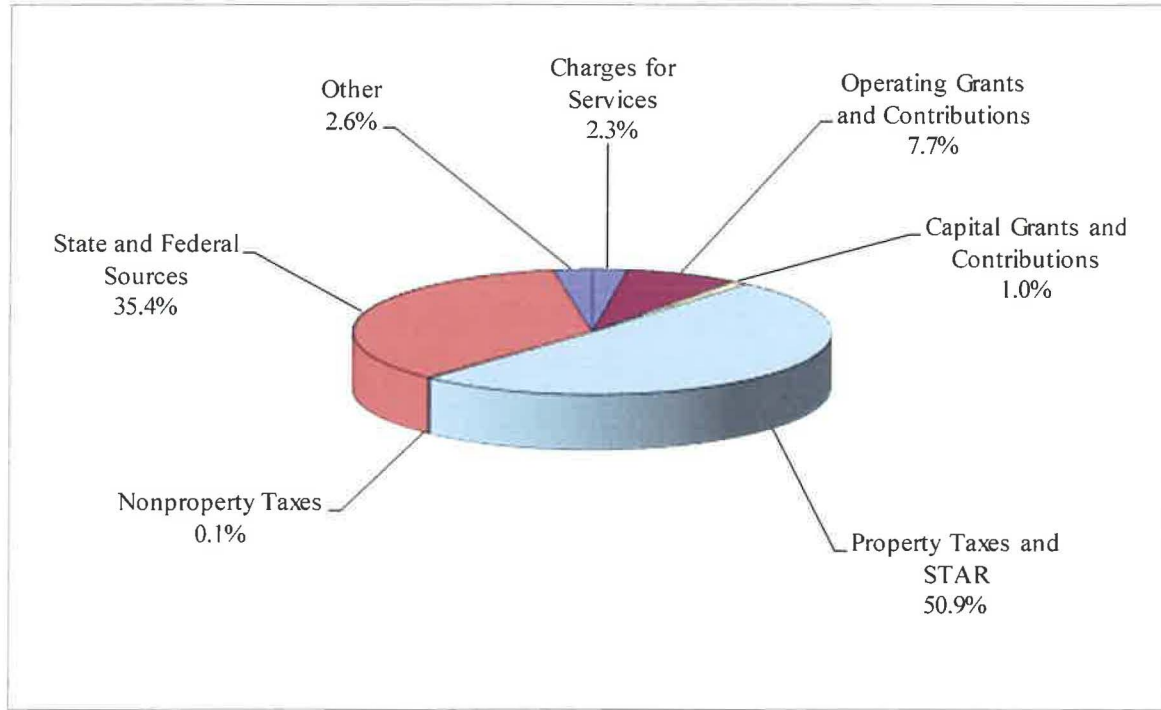
The District's expenditures increased by \$7,166,691 or 9.1%. This expense increased primarily due to the accounting for the OPEB and pension liabilities and expenses in the current year based on actuarial method as well as increase in interest payments.

**EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2023**

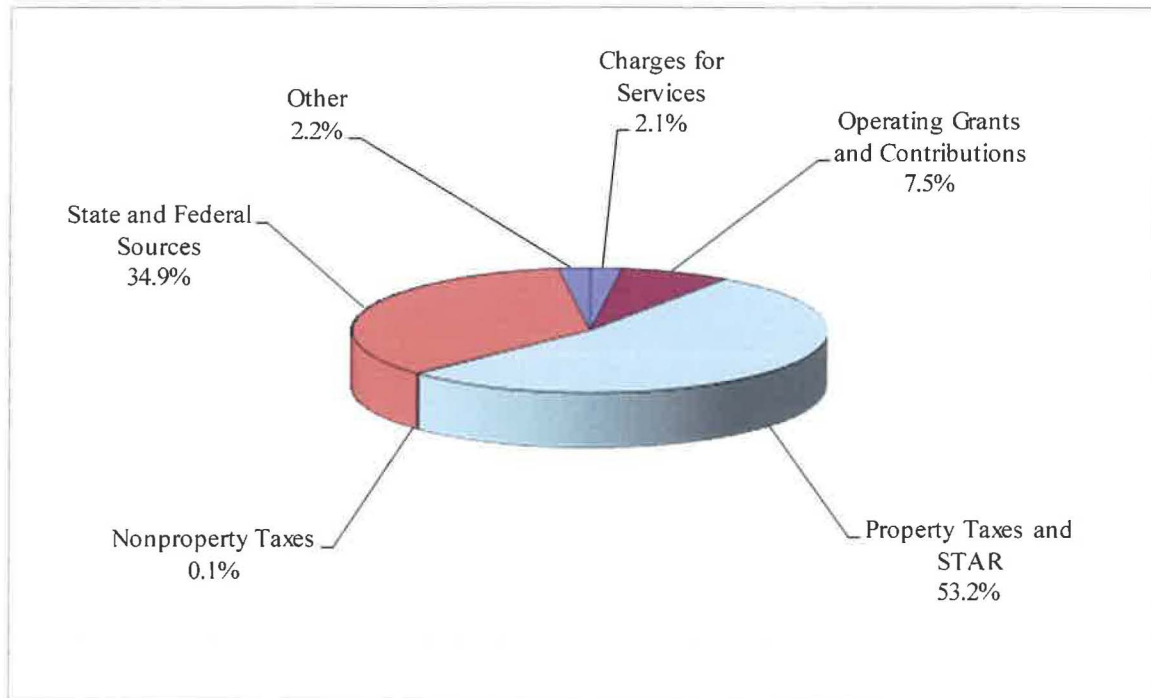
(Continued)

A graphic display of the distribution of revenues for the two years follows:

For the Year Ended June 30, 2023



For the Year Ended June 30, 2022



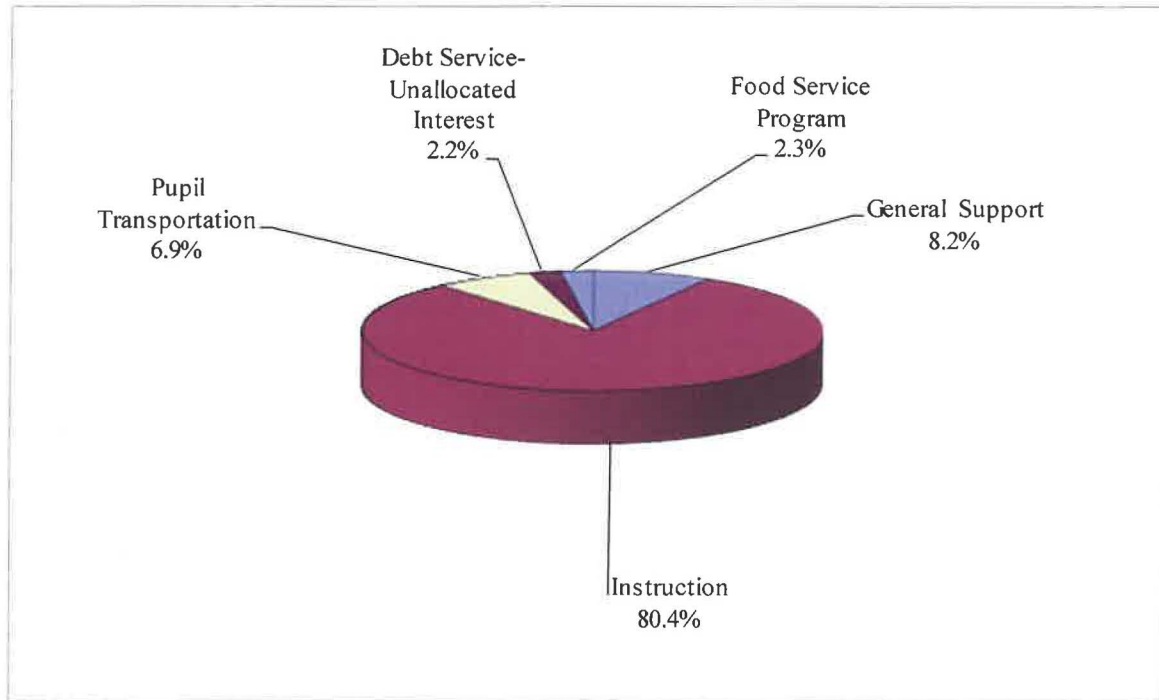
See Independent Auditor's Report.

**EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2023**

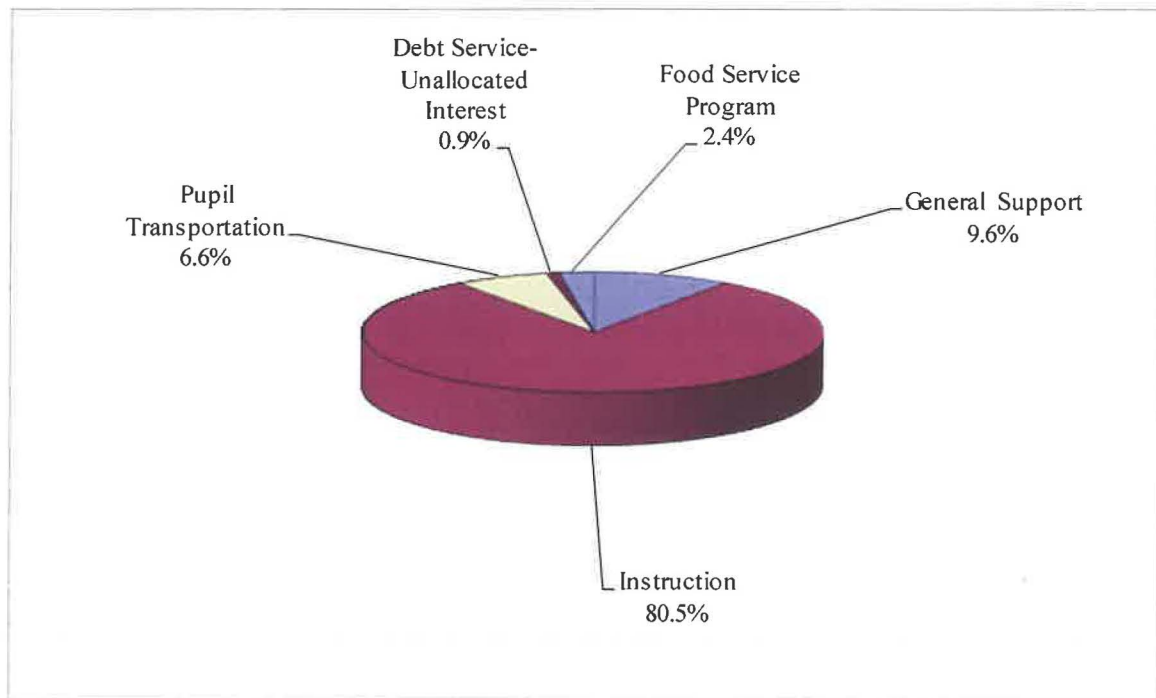
(Continued)

A graphic display of the distribution of expenses for the two years follows:

For the Year Ended June 30, 2023



For the Year Ended June 30, 2022



See Independent Auditor's Report.

**EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2023**

(Continued)

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUND BALANCES

At June 30, 2023, the District's governmental funds reported a combined fund balance of \$24,289,562, which is an increase of \$38,157,671 from the prior year. This increase is mainly the result of the increase in the Capital Fund balance due to issuance of permanent financing for the completion of the District wide Construction/Renovation project as well as an increase in the General Fund of \$6,310,634 as a result of revenues over expenditures in the current year. A summary of the change in fund balance by fund is as follows:

	2023	2022	Increase (Decrease)
General Fund			
Restricted			
Workers' Compensation	\$ 1,277,777	\$ 1,234,693	\$ 43,084
Unemployment Insurance	581,623	562,012	19,611
Tax Certiorari	3,634,520	1,763,884	1,870,636
Retirement Contribution-ERS	3,595,176	827,567	2,767,609
Retirement Contribution-TRS	1,943,716	1,225,938	717,778
Capital	5,145,793	4,199,263	946,530
Employee Benefit Liability	202,881	257,495	(54,614)
Total Restricted	<u>16,381,486</u>	<u>10,070,852</u>	<u>6,310,634</u>
Assigned			
Encumbrances	63,096	173,661	(110,565)
Appropriated for Subsequent Year's Budget		500,000	(500,000)
Total Assigned	<u>63,096</u>	<u>673,661</u>	<u>(610,565)</u>
Unassigned	<u>4,036,728</u>	<u>5,472,265</u>	<u>(1,435,537)</u>
Total General Fund	<u>20,481,310</u>	<u>16,216,778</u>	<u>4,264,532</u>
School Lunch Fund			
Nonspendable	23,236	17,234	6,002
Assigned	<u>908,772</u>	<u>1,125,235</u>	<u>(216,463)</u>
Total School Lunch Fund	<u>932,008</u>	<u>1,142,469</u>	<u>(210,461)</u>
Special Aid Fund			
Unassigned (Deficit)	<u>(2,103)</u>	<u>(2,103)</u>	
Miscellaneous Special Revenue Fund			
Restricted	<u>229,859</u>	<u>236,244</u>	<u>(6,385)</u>
Debt Service Fund			
Restricted	<u>2,890,617</u>	<u>3,225,572</u>	<u>(334,955)</u>
Capital Projects Fund			
Unassigned (Deficit)	(1,342,907)	(34,694,573)	33,351,666
Restricted	<u>1,100,778</u>	<u>7,504</u>	<u>1,093,274</u>
Total Capital Projects Fund	<u>(242,129)</u>	<u>(34,687,069)</u>	<u>34,444,940</u>
Total Fund Balance (Deficit)- All Funds	<u>\$ 24,289,562</u>	<u>\$ (13,868,109)</u>	<u>\$ 38,157,671</u>

See Independent Auditor's Report.

**EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2023**

(Continued)

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2022-2023 Budget

The District's General Fund adopted budget for the year ended June 30, 2023, was \$92,300,483. This is an increase of \$4,288,235 over the prior year's adopted budget.

The budget was funded through a combination of revenues and designated fund balance. The majority of this funding source was \$52,701,452 in estimated property taxes, STAR and State Aid in the amount of \$36,201,632.

B. Change in General Fund's Unassigned Fund Balance (Budget to Actual)

The General Fund's unassigned fund balance is the component of total fund balance that is the residual of prior years' excess revenues over expenditures, net of transfers to reserves and designations to fund the subsequent year's budget. It is this balance that is commonly referred to as the "fund balance". The change in this balance demonstrated through a comparison of the actual revenues and expenditures for the year compared to budget follows:

Opening, Unassigned Fund Balance	\$ 5,472,265
Revenues and Other Financing Sources over Budget	2,040,607
Expenditures and Encumbrances under Budget	2,834,490
Net Increase to Restricted Funds	<u>(6,310,634)</u>
Closing, Unassigned Fund Balance	<u>\$ 4,036,728</u>

Opening, Unassigned Fund Balance

The \$5,472,265 shown in the table above is the portion of the District's June 30, 2022, fund balance that was retained as unassigned. This was 5.93% of the District's 2022-2023 approved operating budget.

Revenues and Other Financing Sources Over Budget

The 2022-2023 final budget for revenues was \$92,474,144. The actual revenues and other financing sources received for the year were \$93,841,090. The actual revenue over estimated or budgeted revenue was \$2,040,607. This variance contributes directly to the change to the unassigned portion of the General Fund, fund balance from June 30, 2022 to June 30, 2023.

Expenditures and Encumbrances Under Budget

The 2022-2023 budget for expenditures was \$92,474,144. The actual expenditures and encumbrances were \$89,639,654. The final budget was under expended by \$2,834,490, after encumbrances. This under expenditure contributes to the change to the unassigned portion of the General Fund fund balance from June 30, 2022 to June 30, 2023.

Net Increase to Restricted Funds

The combined increase of \$6,310,634 to the General Fund restricted fund balances during the year ended June 30, 2023 is primarily the result of additional contributions made to the Tax Certiorari, TRS Retirement Contribution, ERS Retirement Contribution, and Capital Reserves.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the above table, the District will begin the 2023-2024 fiscal year with an unassigned fund balance of \$4,036,728. This is a decrease of \$1,435,537 from the unassigned fund balance from the prior year as of June 30, 2022. This was 4.14% of the District's approved operating budget for 2023-2024.

**EAST SYRACUSE MINOIA CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2023**

(Continued)

6. CAPITAL AND LEASED ASSETS AND DEBT ADMINISTRATION

A. Capital and Leased Assets

At June 30, 2023, the District had invested in a broad range of capital and leased assets, including land, buildings, machinery and equipment, and licensed vehicles. The net increase in capital and leased assets is due to capital additions exceeding depreciation and amortization for the year ended June 30, 2023. A summary of the District's capital and leased assets, net of depreciation and amortization at June 30, 2023 and 2022, is as follows:

	2023	2022	Increase (Decrease)
Land	\$ 2,087,204	\$ 2,087,204	\$
Land Improvements	1,387	32,541	(31,154)
Construction in Progress	49,816,078	43,740,974	6,075,104
Buildings and Improvements	65,033,250	66,855,661	(1,822,411)
Machinery and Equipment	2,131,843	1,309,314	822,529
Licensed Vehicles	3,142,347	2,905,812	236,535
Capital Assets, Net	<u>\$ 122,212,109</u>	<u>\$ 116,931,506</u>	<u>\$ 5,280,603</u>

	2023	2022	Increase (Decrease)
Right to Use Leased Assets, Net	<u>\$ 1,692,389</u>	<u>\$ 1,936,447</u>	<u>\$ (244,058)</u>

B. Debt Administration

At June 30, 2023, the District had total bonds payable of Amount and an Energy Performance Contract of \$44,250,000. A summary of the outstanding bonds and Energy Performance Contract at June 30, 2023 and 2022, is as follows:

Issue Date	Interest Rate	2023	2022	Increase (Decrease)
Serial Bonds				
2016	2.00%-5.00%	\$ 11,855,000	\$ 13,035,000	\$ (1,180,000)
2016	2.00%-5.00%		440,000	(440,000)
2017	2.00%-4.00%	555,000	825,000	(270,000)
2023	5.00%	31,840,000		31,840,000
		<u>\$ 44,250,000</u>	<u>\$ 14,300,000</u>	<u>\$ 29,950,000</u>
Energy Performance Contract				

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District remains committed to a vision of being an exemplary student-centered learning community whose graduates are future-focused and ready to excel in a complex, interconnected, changing world. ESM's fourth *Strategic Plan 2023-2028* guides the development of the District budget in three focus areas: 1) Student-Centered Learning; 2) Wellness; and 3) Safe & Welcoming Environment.

The District has settled multi-year contracts with all bargaining units, and was successful in making changes in the area of health insurance for both active and retired employees that will benefit the District into the future.

**EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2023**

(Continued)

The District's 2023-24 budget passed with a 75% approval rate from voters. The \$97,585,195 budget approved by the voters on May 16, 2023 reflected a 5.73% increase from the prior year.

The final 2023-24 tax levy increased by 2.95% with a levy of \$53.1 million that was within the calculated tax levy limit. Overall, total district taxable assessments increased approximately \$271.1 million or 12.15% over the prior year. With the growth in assessments, the average school tax rate for district residents decreased by 8.76%.

The District also completed a tenth year of operating its student nutrition program through a Food Service Management Contract, again ending the fiscal year with a profit. The District continues to invest fund balance monies to improve Food Service program opportunities for students.

Long Range Facilities Planning remains a priority for the District. "Our Elementary Objective" is a \$49.8 million capital project that focuses on safety, learning and integrity improvements at Park Hill, Woodland, Minoa, Fremont and, to a much lesser extent, East Syracuse Elementary, which is a relatively new building. Carefully developed over more than two years, ESM District residents approved the project on Dec. 11, 2018 with 87% voter approval and construction is now substantially complete. "Building Our Spartan Future" is a \$19.2 million capital project that focuses on site and building improvements at ESM Central High School and the Transportation Center. Approved by ESM District residents on January 12, 2023 with 92% voter approval, the project is in the design phase with construction anticipated to begin in Summer 2024.

8. CONTACTING THE DISTRICT

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, at East Syracuse Minoa Schools, 407 Fremont Road, East Syracuse, NY 13057.

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2023

Assets	
Cash and Cash Equivalents	\$ 4,913,821
Restricted Cash and Cash Equivalents	21,023,555
Receivables	
Due From Other Governments	5,002,319
Other Receivables	109,969
Inventory	23,236
Other Assets	272
Capital Assets (Net of Accumulated Depreciation)	122,212,109
Right to Use Lease Assets (Net of Amortization)	<u>1,692,389</u>
Total Assets	<u>154,977,670</u>
Deferred Outflows of Resources	
Deferred Amounts From Refunding of Debt, Net of Amortization	60,033
OPEB	27,338,467
Pensions	<u>23,213,267</u>
Total Deferred Outflows of Resources	<u>50,611,767</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 205,589,437</u>
Liabilities	
Accounts Payable	\$ 572,053
Accrued Liabilities	410,142
Due To	
Other Governments	125
Teachers' Retirement System	3,836,202
Employees' Retirement System	310,677
Bond Interest Payable	146,575
Short-Term Notes Payable	
Bond Anticipation Note	1,563,000
Unearned Revenue	195,042
Net Pension Liability - Proportionate Share	9,608,013
Noncurrent Liabilities	
Due Within One Year	4,530,264
Due in More Than One Year	<u>277,257,654</u>
Total Liabilities	<u>298,429,747</u>
Deferred Inflows of Resources	
Deferred Amounts From Refunding of Debt, Net of Amortization	19,954
OPEB	33,608,154
Pensions	<u>2,033,424</u>
Total Deferred Inflows of Resources	<u>35,661,532</u>
Total Liabilities and Deferred Inflows of Resources	<u>334,091,279</u>
Net Position (Deficit)	
Net Investment in Capital Assets	70,643,884
Restricted	20,602,740
Unrestricted (Deficit)	<u>(219,748,466)</u>
Total Net Position (Deficit)	<u>(128,501,842)</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 205,589,437</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
General Support	\$ 6,987,791	\$	\$	\$ 1,046,429
Instruction	67,958,571	2,061,875	6,508,987	
Pupil Transportation	5,861,491			
Community Service	784			
Debt Service - Unallocated Interest	1,890,408			
Food Service Program	3,251,849	355,587	1,442,101	
Total Functions/Programs	<u>\$ 85,950,894</u>	<u>\$ 2,417,462</u>	<u>\$ 7,951,088</u>	<u>\$ 1,046,429</u>
General Revenues				
Real Property Taxes				46,884,021
STAR and Other Real Property Tax Items				5,651,515
Nonproperty Tax Items				154,016
Use of Money and Property				1,163,806
Sale of Property and Compensation for Loss				22,098
State and Federal Sources				36,546,576
Miscellaneous				<u>1,526,314</u>
Total General Revenues				<u>91,948,346</u>
Change in Net Position				17,412,431
Net Position (Deficit), Beginning of Year				<u>(145,914,273)</u>
Net Position (Deficit), End of Year				<u>\$ (128,501,842)</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2023

	General	School Lunch	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital	Total
Assets							
Cash and Cash Equivalents	3,616,624	\$ 969,975	\$ 327,222	\$	\$	\$	\$ 4,913,821
Restricted Cash and Cash Equivalents	16,381,486			229,859	2,890,617	1,521,593	21,023,555
Receivables							
Due From Other Governments	2,607,356	109,933	2,285,030				5,002,319
Due From Other Funds	2,500,000		4,336				2,504,336
Other Receivables	103,790					6,179	109,969
Inventory		23,236					23,236
Other Assets	272						272
Total Assets	<u>\$ 25,209,528</u>	<u>\$ 1,103,144</u>	<u>\$ 2,616,588</u>	<u>\$ 229,859</u>	<u>\$ 2,890,617</u>	<u>\$ 1,527,772</u>	<u>\$ 33,577,508</u>
Liabilities							
Payables							
Accounts Payable	\$ 270,492	\$ 63,680	\$ 30,980	\$	\$	\$ 206,901	\$ 572,053
Accrued Liabilities	306,511						306,511
Due To							
Other Governments		125					125
Other Funds	4,336		2,500,000				2,504,336
Teachers' Retirement System	3,836,202						3,836,202
Employees' Retirement System	310,677						310,677
Short-Term Notes Payables							
Bond Anticipation Note						1,563,000	1,563,000
Unearned Revenue		107,331	87,711				195,042
Total Liabilities	<u>4,728,218</u>	<u>171,136</u>	<u>2,618,691</u>			<u>1,769,901</u>	<u>9,287,946</u>
Fund Balance							
Non-Spendable		23,236					23,236
Restricted	16,381,486			229,859	2,890,617	1,100,778	20,602,740
Assigned	63,096	908,772					971,868
Unassigned (Deficit)	<u>4,036,728</u>		(2,103)			(1,342,907)	<u>2,691,718</u>
Total Fund Balance (Deficit)	<u>20,481,310</u>	<u>932,008</u>	<u>(2,103)</u>	<u>229,859</u>	<u>2,890,617</u>	<u>(242,129)</u>	<u>24,289,562</u>
Total Liabilities and Fund Balance	<u>\$ 25,209,528</u>	<u>\$ 1,103,144</u>	<u>\$ 2,616,588</u>	<u>\$ 229,859</u>	<u>\$ 2,890,617</u>	<u>\$ 1,527,772</u>	<u>\$ 33,577,508</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2022

Total Governmental Fund Balances \$ 24,289,562

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

The cost of building, acquiring and leasing capital assets (land, buildings, equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position includes those capital and right to use assets among the assets of the School District as a whole, and their original costs are expensed annually over their useful lives.

Original Cost of Capital Assets	173,173,999
Accumulated Depreciation	(50,961,890)
Intangible Lease Asset	3,030,235
Amortization Expense for Intangible Assets	<u>(1,337,846)</u>
	<u>123,904,498</u>

The 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 funds

Net Pension Liability - Proportionate Share	<u>(9,608,013)</u>
---	--------------------

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 and, therefore, are not reported in the funds. Deferred outflows of resources at year-end consisted of:

Deferred Amounts From Refunding of Debt, Net of Amortization	60,033
Deferred Outflows of Resources, Pensions	23,213,267
Deferred Outflows of Resources, OPEB	<u>27,338,467</u>
	<u>50,611,767</u>

Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then and, therefore, are not reported in the funds. Deferred inflows of resources at year-end consisted of:

Deferred Amounts From Refunding of Debt, Net of Amortization	(19,954)
Deferred Inflows of Resources, Pensions	(2,033,424)
Deferred Inflows of Resources, OPEB	<u>(33,608,154)</u>
	<u>(35,661,532)</u>

Long-term liabilities, including bonds payable and the related deferred outflows and inflows, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:

Retainage Payable	(103,631)
Bonds Payable	(44,250,000)
Energy Performance Contract	(1,505,818)
Bond Premium	(6,348,191)
Accrued Interest Payable	(146,575)
Lease Liability	(954,555)
Other Postemployment Benefits	(228,526,473)
Compensated Absences Payable	<u>(202,881)</u>
	<u>(282,038,124)</u>

Total Net Position (Deficit) \$ (128,501,842)

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

	General	School Lunch	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital	Total
Revenues							
Real Property Taxes	\$ 46,884,021	\$	\$	\$	\$	\$	\$ 46,884,021
STAR and Other Real Property Tax Items	5,651,515						5,651,515
Nonproperty Tax Items	154,016						154,016
Charges for Services	2,061,875						2,061,875
Use of Money and Property	1,049,507	79			114,220		1,163,806
Sale of Property and Compensation for Loss	22,098						22,098
Miscellaneous	1,458,926		12,856	54,532			1,526,314
State Aid	35,886,761	35,377	1,196,653			1,046,429	38,165,220
Federal Aid	659,815	1,406,724	5,312,334				7,378,873
School Lunch Sales		355,587					355,587
Total Revenues	<u>93,828,534</u>	<u>1,797,767</u>	<u>6,521,843</u>	<u>54,532</u>	<u>114,220</u>	<u>1,046,429</u>	<u>103,363,325</u>
Expenditures							
General Support	7,567,208		705,711	60,917			8,333,836
Instruction	42,613,079		5,675,849			2,358,583	50,647,511
Pupil Transportation	3,888,632		84,459			859,837	4,832,928
Community Service	784						784
Food Service Program		1,876,183					1,876,183
Employee Benefits	25,429,046	152,660	576,845				26,158,551
Capital Outlay						4,704,908	4,704,908
Debt Service - Principal	3,397,436						3,397,436
Debt Service - Interest	1,584,178				449,175		2,033,353
Total Expenditures	<u>84,480,363</u>	<u>2,028,843</u>	<u>7,042,864</u>	<u>60,917</u>	<u>449,175</u>	<u>7,923,128</u>	<u>101,985,480</u>
Excess (Deficit) Revenues Over Expenditures	<u>9,348,171</u>	<u>(231,076)</u>	<u>(521,021)</u>	<u>(6,385)</u>	<u>(334,955)</u>	<u>(6,876,899)</u>	<u>1,377,835</u>
Other Financing Sources (Uses)							
Proceeds of Debt						31,840,000	31,840,000
Lease Proceeds						899,836	899,836
Premium on Bonds						4,040,000	4,040,000
BANS Redeemed from Appropriations	(4,019,559)					4,019,559	
Transfers from Other Funds	12,556	20,615	521,021			535,000	1,089,192
Transfers to Other Funds	(1,076,636)					(12,556)	(1,089,192)
Total Other Financing Sources (Uses)	<u>(5,083,639)</u>	<u>20,615</u>	<u>521,021</u>			<u>41,321,839</u>	<u>36,779,836</u>
Revenues Over Expenditures and Other Financing Sources (Uses)	<u>4,264,532</u>	<u>(210,461)</u>		<u>(6,385)</u>	<u>(334,955)</u>	<u>34,444,940</u>	<u>38,157,671</u>
Fund Balance (Deficit), Beginning of Year	<u>16,216,778</u>	<u>1,142,469</u>	<u>(2,103)</u>	<u>236,244</u>	<u>3,225,572</u>	<u>(34,687,069)</u>	<u>(13,868,109)</u>
Fund Balance (Deficit), End of Year	<u>\$ 20,481,310</u>	<u>\$ 932,008</u>	<u>\$ (2,103)</u>	<u>\$ 229,859</u>	<u>\$ 2,890,617</u>	<u>\$ (242,129)</u>	<u>\$ 24,289,562</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

**EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES AND
EXPENDITURES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023**

Net Changes in Fund Balance - Total Governmental Funds	\$ 38,157,671
--	---------------

Capital Outlays to purchase, lease or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their useful lives as depreciation and amortization expense in the statement of activities. This is the detail to that activity in the period.

Depreciation Expense	(3,543,532)	
Amortization Expense for Intangible Asset	(925,166)	
Right to Use Leased Asset	681,108	
Loss on Disposal	(372)	
Capital Outlays	<u>8,824,507</u>	5,036,545

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayments of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of the repayments and the change in the premium.

Bond and Lease Principal Payments	3,397,436	
Lease Proceeds	(899,836)	
Bond Proceeds	(31,840,000)	
Bond Premium	(4,040,000)	
Amortization of Bond Premium	<u>289,913</u>	(33,092,487)

Proceeds of debt refunding and payments to escrow agents as part of debt refunding are reported as other financing sources (uses) in the governmental funds. However, the amount of the proceeds in excess of the defeasance of old debt is deferred in the Statement of Net Position and amortized as a component of interest expense over the remaining life of the new debt. This is the amount of amortized interest expense on prior refunding's:

Amortization of Deferred Amounts from Advance Refunding	(45,431)
---	----------

Certain expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in Accrued Interest on Serial Bonds	(101,537)	
Change in Other Postemployment Benefits	9,103,403	
Change in Compensated Absences	54,614	
Change in Proportionate Share of Net Pension Expense	(2,166,179)	
Change in Retainage Payable	<u>465,832</u>	<u>7,356,133</u>

Change in Net Position Governmental Activities	\$ <u>17,412,431</u>
--	----------------------

The Accompanying Notes are an Integral Part of These Financial Statements.

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2023

	Custodial Fund
Assets	
Cash and Cash Equivalents - Restricted	\$ <u>343,063</u>
Net Position	
Restricted for Extraclassroom Activities	201,310
Restricted For Other Purposes	<u>141,753</u>
Total Net Position	\$ <u>343,063</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2023

	Custodial <u>Fund</u>
Additions	
Charges for Services, Sale of Property, and Miscellaneous	\$ 478,855
Deductions	
Scholarships Granted	17,000
Club Activities	<u>422,436</u>
Total Deductions	<u>439,436</u>
Change in Net Position	39,419
Net Position, Beginning of Year	<u>303,644</u>
Net Position, End of Year	<u>\$ 343,063</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the East Syracuse Minoa Central School District (the School District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as they apply to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Certain significant accounting principles and policies utilized by the School District are described below:

Reporting Entity

The School District is governed by the laws of New York State. The School District is an independent entity governed by an elected Board of Education consisting of 9 members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all, activities related to public school education within the School District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal members.

The reporting entity of the School District is based upon criteria set forth by GASB. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the School District represent funds of the students of the School District. The Extraclassroom Activity Funds are independent of the School District with respect to its financial transactions and the designation of student management. The School District accounts for assets held as an agent for various student organizations in a custodial fund. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found at the School District's administrative offices.

Joint Venture

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

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

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

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

During the year ended June 30, 2023, the district was billed \$8,511,589 for BOCES administrative and program costs.

The District's share of BOCES aid amounts to \$1,925,238. Financial statements for the BOCES are available from the Onondaga, Cortland, and Madison BOCES' administrative office at PO Box 4754, Syracuse, New York 13221.

During the year ended June 30, 2020, the BOCES issued \$11,615,000 in Revenue Lease Bonds with the Dormitory Authority of the State of New York (DASNY) on behalf of BOCES. Also, during 2015, the BOCES issued \$5,890,000 in Revenue Lease Bonds with the Dormitory Authority of the State of New York (DASNY). These bonds will be repaid by the component districts of the BOCES as a lease payment included in the administrative budget of the BOCES over the term of the bonds. During 2023, principal payments of \$540,00 were made and the outstanding balance at June 30, 2023 was \$15,940,000.

Basis of Presentation

(a) District-Wide Statements

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

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

(b) Fund Financial Statements

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

General Fund: This is the School District's primary operating fund used to account for and report all financial resources not accounted for in another fund.

Special Revenue Funds:

Special Aid Fund: This fund accounts for and reports the proceeds of specific revenue sources, such as Federal and State grants, that are legally restricted to expenditures for specified purposes.

School Lunch Fund: This fund is used to account for and report transactions of the School District's food service operations.

Miscellaneous Special Revenue Fund: This fund is used to account for and report transactions of the Districts' scholarship funds. The District has both custody and administrative control over the various scholarships. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits

Capital Projects Fund: This fund is used to account for and report financial resources that are restricted or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Debt Service Fund: This fund accounts for and reports financial resources that are restricted to expenditures for principal and interest. Debt service funds should be used to report resources if legally mandated.

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

(c) Fiduciary Funds

Fiduciary funds are used to account for and report fiduciary activities. Fiduciary activities are those in which the School District acts as trustee or agent for resources that belong to others. These activities are not included in the District wide financial statements, because their resources do not belong to the School District, and are not available to be used. There is one class of fiduciary funds:

Custodial Funds: These funds are strictly custodial in nature. Assets are held by the School District as agent for various student groups or extraclassroom activity funds and scholarships.

Measurement Focus and Basis of Accounting

The District-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the School 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 School District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, other postemployment benefits, 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.

Property Taxes

Real property taxes are levied annually by the Board of Education and become a lien no later than September 1. Taxes are collected during the period September 1 to October 31. Uncollected real property taxes are subsequently enforced by the counties of Onondaga and Madison. The Counties pay an amount representing uncollected real property taxes transmitted to the Counties for enforcement to the School District no later than the following April 1.

Interfund Transactions

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

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 and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the interfund transactions at year end is shown in Note 10 to the financial statements.

Estimates

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

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

Cash and Cash Equivalents

The School District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. New York State law governs the School District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements, and obligations of New York State or its localities.

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

Receivables

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

Deferred Outflow of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. First is the deferred charge on refunding of debt reported in the District-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions not included in pension expense. 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.

Inventories

The inventories of food in the School Lunch Fund are recorded at cost on a first-in, first-out basis or, in the case of surplus food donated by the U.S. Department of Agriculture, at the Government's assigned value, which approximates market. A reserve for inventory has been recognized to indicate that this does not constitute available spendable resources.

Capital Assets

Capital assets are reported at actual cost for acquisitions subsequent to July 1, 2003. For assets acquired prior to July 1, 2003, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

The School District uses capitalization thresholds of \$2,500, (the dollar value above which asset acquisitions are added to the capital asset accounts). The School District uses the straight-line method of depreciation over the following estimated useful lives of capital assets reported in the District-wide statements:

Land Improvements	20 Years
Machinery and Equipment	5-15 Years
Buildings and Improvements	50 Years
Licensed Vehicles	8 Years

Right to Use Leased Assets

The District has recorded right to use leased assets as a result of implementing GASB 87 -Leases. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term. The right to use assets are amortized on a straight-line basis over the life of the related lease.

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

Unearned Revenue

Unearned revenues are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when resources are received by the School District before it has legal claim to them, as when grant monies are received prior to the incidence 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 recorded.

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

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. The first arises from a deferred premium from advanced refunding of debt that is being amortized over the life of the debt. The second item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability or asset and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The third 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.

Vested Employee Benefits – Compensated Absences

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

The School 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.

Consistent with GASB, an accrual for accumulated sick leave is included in the compensated absences liability at year end. The compensated absences liability is calculated based on the pay rates in effect at year end.

In the fund statements, only the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources.

Other Benefits

Eligible School 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 post-employment health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if District employees are eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the District and the retired employee. Other postemployment benefit costs are measured and disclosed using the accrual basis of accounting (see Note 11).

Accrued Liabilities and Long-Term Obligations

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

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

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

Equity Classifications

(a) District-wide Financial Statements

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

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

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

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

(b) Fund Statements

The following classifications describe the relative strength of the spending constraints:

Non-spendable

This category includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. This category consists of the inventories in the School Lunch Fund.

Restricted Resources

This category 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. Generally, the District's policy is to use restricted resources only when appropriated by the Board of Education. When an expenditure is incurred for purposes for which both restricted and unrestricted net assets are available, the School District's policy concerning which to apply first varies with the intended use, and with associated legal requirements.

The School District has established the following restricted fund balances:

- ***Reserve for Employee Benefit Accrued Liability***

Employee Benefit Accrued Liability reserve (GML §6-p) is used for the payment of any accrued employee benefit due to an employee upon termination of the employee's service. This reserve fund may be established by a majority vote of the board of education and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the General Fund.

- ***Reserve for Tax Certiorari***

Tax Certiorari reserve (Education Law §3651(1-a)) is used to accumulate funds to pay judgments and claims resulting from tax certiorari proceedings. Voter approval is not required provided that the monies held do not exceed the anticipated needs of the School District. Amounts in this reserve not necessary to pay judgments and claims 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.

- ***Reserve for Unemployment Insurance***

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

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

- ***Reserve for Retirement Contribution System***

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

- ***Reserve for Workers' Compensation***

Workers' Compensation Reserve (GML §6-j) is 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.

- ***Reserve for Capital Projects***

Capital reserve (Education law §3651) is used to accumulate funds to finance all or a portion of future capital projects for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term, and the source of the funds. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. Total expenditures over the life of each capital reserve may not exceed the voter approved maximum. Funds may be transferred to other reserves only with voter approval. The reserve is accounted for in the General Fund.

In 2017 the Board and voters established a capital reserve fund to reserve up to \$10 million for the purpose of capital improvement. The reserve was established with a probable term of ten years. The funds can be used to offset the local share of future capital project work. This proposition only established the capital reserve funds and did not obligate the district to fund them at any specific level at any time. The district will determine the level of funding based on current and future financial conditions. As of June 30, 2023, the District has funded \$9,990,711 into the reserve.

- ***Miscellaneous Special Revenue Fund***

This fund is used to account for various endowment and scholarship awards.

- ***Capital Projects Fund***

This fund is used to account for and report the financial resources that are restricted by a voter approved proposition for acquisition, construction or major repair of capital facilities.

- ***Debt Service Fund***

This fund is used to account for and report the financial resources that are restricted to pay debt service. The funds include unused debt proceeds and interest and earnings on the temporary investment of debt proceeds. This reserve is accounted for in the Debt Service Fund.

Unrestricted Resources

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the School District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the School District has provided otherwise in its commitment or assignment actions.

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

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

- **Assigned** – Includes amounts that are constrained by the School District’s intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Board of Education or (b) the designated official, such as the District’s Purchasing Agent, to which the Board has delegated the authority to assign amounts to be used for specific purposes. All encumbrances, other than in the Capital Fund, are classified as Assigned Fund Balance in the applicable fund. The amount appropriated for the subsequent year’s budget of the General fund is also classified as Assigned Fund Balance in the General Fund.
- **Unassigned** – Includes all other fund balances that do not meet the definition of the above two classifications and are deemed to be available for general use by the School District. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the respective fund.

(c) Restricted for Extraclassroom Activities and Scholarships

This reserve is used to account for extraclassroom activities and certain scholarship awards. This reserve is accounted for in the custodial fund.

(d) Order of Use of Fund Balance

In circumstances where an expenditure is incurred for the purpose for which amounts are available in multiple fund balance classifications, (e.g. expenditures related to reserves) the Board will assess the current financial condition of the School District and then determine the order of application of expenditures to which the fund balance classification will be charged.

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

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the District-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic resource management focus of the Statement of Activities, compared with the current financial resource management focus of the governmental funds.

Total Fund Balances of Governmental Funds Compared To Net Position of Governmental Activities

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

Statement of Revenues, Expenditures, and Changes In Fund Balance Compared To 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 six broad categories.

(a) Long-Term Revenue and Expenditure Differences

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

(b) Capital Related Differences

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

(c) 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.

(d) Employee Benefit Allocation

Expenditures for employee benefits are not allocated to a specific function on the Statement of Revenues, Expenditures, and Changes in Fund Balances based on the requirements of New York State. These costs have been allocated based on total salary for each function.

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

(e) Pension Differences

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

(f) OPEB Differences

OPEB differences occur as a result of changes in the District's total OPEB liability and differences between the District's contributions and OPEB expense.

3. STEWARDSHIP AND COMPLIANCE

Fund Balance Limitations

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the School District's budget for the General Fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation. At June 30, 2023 the District's unexpended surplus was 4.14% of the 2023-2024 budget.

Statutory Debt Limit

At June 30, 2023, the School District was in compliance with the statutory debt limit.

Budgetary Procedures and Budgetary Accounting

The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund for which legal (appropriated) budgets are adopted.

Appropriations are adopted at the program line-item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. During the year ended June 30, 2023, the District did not approve any supplemental appropriations.

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

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

Encumbrances

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

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

4. CASH AND CASH EQUIVALENTS

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. While the School District does not have a specific policy for custodial credit risk, New York State statutes govern the School District's investment policies, as discussed previously in these notes. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either:

- A. Uncollateralized;
- B. Collateralized by securities held by the pledging financial institution, or
- C. Collateralized by securities held by the pledging financial institution's trust department or agent but not in the District's name.

As of June 30, 2023, the School District's bank balances totaling \$27,167,102 were partially collateralized by securities held by an agent of the pledging financial institution in the School District's name, FDIC insurance and NCUA insurance. At June 30, 2023, the School District had under-collateralized deposits in the amount of \$199,166.

Restricted Cash and Cash Equivalents

Restricted cash of \$16,381,486 in the General Fund represents amounts in the following reserves: \$1,277,777 for Worker's Compensation, \$581,623 for Unemployment Insurance, \$3,634,520 for Tax Certiorari, \$202,881 for Employee Benefit Liability Reserve, \$3,595,176 for Retirement Contribution Reserve-ERS, \$1,943,716 for Retirement Contribution Reserve-TRS and \$5,145,793 for Capital Reserve.

Restricted cash of \$229,859 in the Miscellaneous Special Revenue Fund represents various expendable trust funds held by the District for scholarships and awards.

Restricted cash of \$2,890,617 in the Debt Service Fund represents reserves for future debt service.

Restricted cash of \$1,521,593 in the Capital fund represents reserves for capital projects.

Restricted cash of \$343,063 in the fiduciary funds represents funds gifted to the School District for scholarships and awards to students and extraclassroom funds.

5. DUE FROM OTHER GOVERNMENTS

Due from other governments in the general fund at June 30, 2023, consisted of:

New York State – Excess Cost Aid	\$ 1,173,341
New York State – General Aid	567,657
BOCES Aid	<u>866,358</u>
Total Due from Other Governments	<u>\$ 2,607,356</u>

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

6. CAPITAL ASSETS AND LEASED ASSETS

Capital asset activity for the year ended June 30, 2023, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 2,087,204	\$	\$	\$ 2,087,204
Construction in Progress	<u>43,740,974</u>	<u>6,075,104</u>		<u>49,816,078</u>
Total	<u>45,828,178</u>	<u>6,075,104</u>		<u>51,903,282</u>
Capital Assets Being Depreciated				
Land Improvements	3,050,127			3,050,127
Buildings and Improvements	103,411,693			103,411,693
Machinery and Equipment	4,543,606	1,814,200	144,124	6,213,682
Licensed Vehicles	<u>7,660,012</u>	<u>935,203</u>		<u>8,595,215</u>
Total	<u>118,665,438</u>	<u>2,749,403</u>	<u>144,124</u>	<u>121,270,717</u>
Accumulated Depreciation				
Land Improvements	3,017,586	31,154		3,048,740
Buildings and Improvements	36,556,032	1,822,780		38,378,812
Machinery and Equipment	3,263,672	961,550	143,752	4,081,470
Licensed Vehicles	<u>4,724,820</u>	<u>728,048</u>		<u>5,452,868</u>
Total	<u>47,562,110</u>	<u>3,543,532</u>	<u>143,752</u>	<u>50,961,890</u>
Net Capital Assets Being Depreciated	<u>71,103,328</u>	<u>(794,129)</u>	<u>372</u>	<u>70,308,827</u>
Net Capital Assets	<u>\$ 116,931,506</u>	<u>\$ 5,280,975</u>	<u>\$ 372</u>	<u>\$ 122,212,109</u>

Depreciation expense was allocated based on estimated usage by function as follows:

Function/Program	
General Support	\$ 460,659
Instruction	2,409,602
Pupil Transportation	637,836
Food Service Program	35,435
Total Depreciation	<u>\$ 3,543,532</u>

Right to use leased asset activity for the year ended June 30, 2023 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Right to Use Leased Assets				
Leased Equipment	<u>\$4,107,210</u>	<u>\$ 681,108</u>	<u>\$ 1,758,083</u>	<u>\$ 3,030,235</u>
Total	<u>4,107,210</u>	<u>681,108</u>	<u>1,758,083</u>	<u>3,030,235</u>
Accumulated Amortization				
Leased Equipment	<u>2,170,763</u>	<u>925,166</u>	<u>1,758,083</u>	<u>1,337,846</u>
Total	<u>2,170,763</u>	<u>925,166</u>	<u>1,758,083</u>	<u>1,337,846</u>
Net Right to Use Leased Assets	<u>\$ 1,936,447</u>	<u>\$ (244,058)</u>	<u>\$</u>	<u>\$ 1,692,389</u>

Amortization expense of \$925,166 is charged solely to instruction.

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

7. SHORT-TERM DEBT

The District had outstanding BANs at June 30, 2023, as follows:

<u>Payable From/Description</u>	<u>Date of Original Issue</u>	<u>Original Amount</u>	<u>Date of Final Maturity</u>	<u>Interest Rate (%)</u>	<u>Outstanding Amount</u>
BAN - June 2023	6/22/2023	\$ 1,563,000	6/22/2024	4.50%	\$ 1,563,000

Changes in the School District's short-term outstanding debt for the year ended June 30, 2023, is as follows:

<u>Description</u>	<u>Balance 07/01/22</u>	<u>Issued</u>	<u>Paid</u>	<u>Balance 06/30/23</u>
Governmental Activities				
BAN- June 2023	\$	\$ 1,563,000	\$	\$ 1,563,000
BAN - June 2022	2,095,398		(2,095,398)	
BAN - June 2022	38,400,000		(38,400,000)	
Total Governmental Activities	<u>\$ 40,495,398</u>	<u>\$ 1,563,000</u>	<u>\$ (40,495,398)</u>	<u>\$ 1,563,000</u>

Total interest for the year was as follows:

Interest Paid	\$ 1,209,623
Less: Interest Accrued in the Prior Year	(7,520)
Plus: Interest Accrued in the Current Year	1,368
Total Interest Expense on Short-Term Debt	<u>\$ 1,203,471</u>

8. NONCURRENT LIABILITIES

Noncurrent liability balances and activity are as follows:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds and Contract Payable					
Serial Bonds	\$ 14,300,000	\$ 31,840,000	\$ 1,890,000	\$ 44,250,000	\$ 2,700,000
Unamortized Premium	2,598,104	4,040,000	289,913	6,348,191	559,246
Energy Performance Contract	2,201,326		695,508	1,505,818	733,097
Total Serial Bonds and Energy	19,099,430	35,880,000	2,875,421	52,104,009	3,992,343
Other Liabilities					
Lease Liabilities	866,647	899,836	811,928	954,555	537,921
Compensated Absences	257,495		54,614	202,881	
Other Postemployment Benefit Liability	258,397,536	14,222,792	44,093,855	228,526,473	
Total Long Term Liabilities	<u>\$ 278,621,108</u>	<u>\$ 51,002,628</u>	<u>\$ 47,835,818</u>	<u>\$ 281,787,918</u>	<u>\$ 4,530,264</u>

The following is a statement of the School District's serial bonds with corresponding maturity schedules:

<u>Payable From/Description</u>	<u>Date of Original Issue</u>	<u>Original Amount</u>	<u>Date of Final Maturity</u>	<u>Interest Rate (%)</u>	<u>Outstanding Amount</u>
2016 Serial Bonds	06/16	\$ 18,820,000	06/31	2.0-5.0	\$ 11,855,000
2017 Refunding Serial Bonds	10/18	\$ 2,125,000	05/26	2.0-4.0	555,000
2023 Serial Bonds	06/23	\$ 31,840,000	06/37	5.0	31,840,000
Total					<u>\$ 44,250,000</u>

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

Principal and interest payments due on long-term debt are as follows:

Fiscal Year Ending June 30,	Serial Bonds			Energy Performance Contract		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 2,700,000	\$ 2,670,206	\$ 5,370,206	\$ 733,097	\$ 70,667	\$ 803,764
2025	3,400,000	2,074,700	5,474,700	772,721	31,046	803,767
2026	3,275,000	1,907,500	5,182,500			
2027	3,435,000	1,743,750	5,178,750			
2028	3,615,000	1,572,000	5,187,000			
2029-2033	17,200,000	5,053,750	22,253,750			
2034-2037	10,625,000	1,251,500	11,876,500			
Total	<u>\$ 44,250,000</u>	<u>\$ 16,273,406</u>	<u>\$ 60,523,406</u>	<u>\$ 1,505,818</u>	<u>\$ 101,713</u>	<u>\$ 1,607,531</u>

Other Debt – Energy Performance Contract

The East Syracuse-Minoa Central School District entered into an energy performance contract during the year ended June 30, 2009. The contract is defined in Section 9-102(4) of the New York State Energy Law as: “an agreement for the provision of energy services, including but not limited to electricity, heating, ventilation, cooling, steam, or hot water, in which a person agrees to install, maintain, or manage energy systems or equipment to improve the energy efficiency of, or produce energy in connection with a building or facility in exchange for a portion of the energy savings or revenues.” The contract is accounted for as a capital lease. The total net present value of the lease at June 30, 2023, is \$1,505,818.

Lease Liability

The District has entered into agreements with the BOCES and other vendors to lease certain equipment such as copiers and other technology equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of the inception of the agreements. The agreements were executed on various dates ranging from January 26, 2021 to April 19, 2023 and are for a term of 3-5 years. Annual lease payments for these agreements range from \$3,517 to \$314,065. The lease liability is measured at a discount ranging from 1.82-3.95% which is stated in the lease agreements. As a result of these leases, the District has recorded a right to use asset with a net book value of \$1,692,389 at June 30, 2023.

Principal and interest payments due on long-term leases are as follows:

For the Year Ending June 30,	Leases		
	Principal	Interest	Total
2024	\$ 537,921	\$ 32,802	\$ 570,723
2025	341,440	14,829	356,269
2026	40,502	1,702	42,204
2027	34,692	479	35,171
Total	<u>\$ 954,555</u>	<u>\$ 49,812</u>	<u>\$ 1,004,367</u>

Interest on long term debt is as follows:

Total interest for the year was as follows:

Interest Paid	\$ 829,882
Less: Interest Accrued in the Prior Year	(45,038)
Amortization of Deferred Amounts from Refunding	45,431
Amortization of Bond Premium	(289,913)
Plus: Interest Accrued in the Current Year	146,575
Total Interest Expense on Long-Term Debt	<u>\$ 686,937</u>

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

Prior-Year Defeasance of Debt

In prior years, the School District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School District's financial statements. At June 30, 2023, \$555,000.

Deferred Inflows of Resources

Past refunding transactions have resulted in a difference of \$1,039,818 between the reacquisition price and the net carrying amount and has been reported as a deferred inflow of resources on the Statement of Net Position. This amount is being amortized on the District-wide financial statements using the straight-line method over 8 to 10 years, the remaining time to maturity of the refunded bonds. The current-year amortization is \$9,975 and is included as a reduction to interest expense on the government-wide financial statements. The balance of the deferred amounts from the refunding of debt, net of amortization recorded on the Statement of Net Position is as follows:

Deferred Amount from Refunding of Debt	\$ 1,039,818
Less: Accumulated Amortization	<u>(1,019,864)</u>
Net Capitalized Refunding of Debt Costs	<u>\$ 19,954</u>

Deferred Outflows of Resources

The deferred loss on the advance refunding of a portion of the 2008 and 2010 Series Bonds has been deferred and recorded as a deferred outflow on the District-wide financial statements. The cost is being amortized using the straight-line method over 8 years, the remaining time to maturity of the bonds. The current year amortization is \$55,407 and is included as an addition to interest expense on the statement of activities.

Deferred Amount from Refunding of Debt	\$ 443,262
Less: Amount Recognized	<u>(383,229)</u>
Net Capitalized Refunding of Debt Costs	<u>\$ 60,033</u>

Unamortized Premium

The original issue premiums on the 2023 and 2016 serial bonds have been deferred and recorded as an addition to long-term liabilities on the District-side financial statements. The premium is being amortized using the straight-line method over 15 years, the remaining time to maturity of the respective bond issues. The current year amortization is \$289,913 and is included as a reduction to interest expense on the statement of activities.

Deferred Premium from Issuance of Debt	\$ 8,388,702
Less: Accumulated Amortization	<u>(2,040,511)</u>
Net Unamortized Premium	<u>\$ 6,348,191</u>

Special Provisions Affecting Remedies Upon Default

In the event of a default in the payment of the principal of and/or interest of the Bonds, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Bonds.

9. PENSION PLANS

A. New York State and Local Employees' Retirement System (ERS)

(a) Plan Description

The School District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer public employee retirement system. The system provides retirement benefits as well as death and disability benefits.

The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

is an elected official determined in a direct statewide election and serves a four year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November, 2018, he was elected for a new term commencing January 1, 2019. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System maintains records and accounts, and prepares financial statements using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable. Investments are recognized at fair value. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement at System, 110 State Street, Albany, NY 12244.

(b) Contributions

The System is noncontributory for employees who joined prior to July 28, 1976. For employees who joined after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary for the first ten years of membership. Employees who joined on or after January 1, 2010 and prior to April 1, 2012, are required to contribute 3% of their annual salary for their entire working career. Employees who joined on or after April 1, 2012 must contribute at a specific percentage of earnings (between 3 and 6%) based on their total annualized salary for their entire career. Under the authority of the RSSL, the Comptroller certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. All required contributions for the NYSERS fiscal year ended March 31, 2023, were paid.

The required contributions for the current year and two preceding years were:

	Amount
2021	\$ 1,295,741
2022	\$ 1,408,392
2023	\$ 1,057,486

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

At June 30, 2023, the School District reported a liability of \$5,990,048 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2023, the School District's proportion was 0.0279334 percent, which is a decrease of 0.0001064 as compared to the School District's proportion at June 30, 2022.

For the year ended June 30, 2023, the School District recognized pension expense of \$2,209,259. At June 30, 2023, the School District reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 637,987	\$ 168,223
Change of Assumptions	2,909,153	32,152
Net Difference Between Projected and Actual Earnings on Pensions Plan Investments		35,191
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	275,140	84,439
Contributions Subsequent to the Measurement Date	310,677	
Total	<u>\$ 4,132,957</u>	<u>\$ 320,005</u>

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

At June 30, 2023, \$310,677 (excluding the employee share) was reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date. The amount will be recognized as a reduction of the net pension liability for the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2024	\$	850,113
2025	\$	(270,495)
2026	\$	1,266,867
2027	\$	1,655,790

(d) Actuarial Assumptions

The total pension liability at March 31, 2023 was determined by using an actuarial valuation as of April 1, 2022, with update procedures used to roll forward the total pension liability to March 31, 2023. The actuarial valuation used the following actuarial assumptions.

Significant actuarial assumptions used in the April 1, 2022 valuation were as follows:

Investment rate of return (net of investment expense, including inflation)	5.90%
Salary scale	4.40%
Decrement tables	April 1, 2015 - March 31, 2020 System's Experience
Inflation rate	2.90%

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2021.

The actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

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

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2023 are summarized below.

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32.00%	4.30%
International Equity	15.00%	6.85%
Private Equity	10.00%	7.50%
Real Estate	9.00%	4.60%
Opportunistic/Absolute Return Strategy	3.00%	5.38%
Credit	4.00%	5.43%
Real Assets	3.00%	5.84%
Fixed Income	23.00%	1.50%
Cash	1.00%	0.00%
	<u>100%</u>	

The real rate of return is net of the long-term inflation assumption of 2.50%

(e) Discount Rate

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

(f) Sensitivity of the Proportionate Share of the Net Pension (Asset) Liability to the Discount Rate Assumption

The following presents the School District's proportionate share of the net pension (asset) liability calculated using the discount rate of 5.9 percent, as well as what the School District's proportionate share of the net pension (asset) liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.9 percent) or 1-percentage-point higher (6.9 percent) than the current rate:

	1% Decrease <u>(4.9%)</u>	Current Assumption <u>(5.9%)</u>	1% Increase <u>(6.9%)</u>
Proportionate Share of the Net Pension Liability (Assets)	\$ 14,475,376	\$ 5,990,048	\$ (1,100,431)

(g) Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued ERS financial report.

(h) Payables to the Pension Plan

The School District has recorded an amount due to ERS in amount of \$310,677 at June 30, 2023. This amount represents the three months of the School District's fiscal year that will be covered in the ERS 2023-2024 billing cycle and has been accrued as an expenditure in the current year.

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

B. New York State Teachers' Retirement System (TRS)

(a) Plan Description

The School District participates in the New York Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer public employee retirement system. The system provides retirement benefits as well as death and disability benefits.

The TRS was created and exists pursuant to Article 11 of the New York State Education Law. TRS is administered by the system and governed by a ten-member board to provide these benefits to teachers employed by participating employers in the State of New York, excluding New York City. The System provides benefits to plan members and beneficiaries as authorized by the New York State Law and may be amended only by the Legislature with the Governor's approval. Benefit provisions vary depending on date of membership and membership class (6 tiers). TRS issues a publicly available financial report that contains basic financial statements and required supplementary information for the System. For additional plan information please refer to the NYSTRS Comprehensive Annual Financial Report which can be found on the TRS website located at www.nystrs.org.

(b) Contributions

Pursuant to Article 11 of the New York State Education Law, employers are required to contribute at an actuarially determined rate adopted annually by the Retirement Board. Tier 3 and Tier 4 members who have less than 10 years of service or membership are required by law to contribute 3% of salary to the System. Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Tier 6 members are required by law to contribute between 3% and 6% of salary throughout their active membership in accordance with a schedule based upon salary earned. Pursuant to Article 14 and Article 15 of the Retirement and Social Security Law, those member contributions are used to help fund the benefits provided by the System. However, if a member dies or leaves covered employment with less than 5 years of credited service for Tiers 3 and 4, or 10 years of credited service for Tiers 5 and 6, the member contributions with interest calculated at 5% per annum are refunded to the employee or designated beneficiary. Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law. Upon termination of membership, such accumulated member contributions are refunded. At retirement, such accumulated member contributions can be withdrawn or are paid as a life annuity.

The required employer contributions for the current year and two preceding years were:

	Amount
2021	\$ 2,821,901
2022	\$ 3,060,569
2023	\$ 3,273,315

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

At June 30, 2023, the School District reported a liability of \$3,617,965 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2022, the School District's proportion was 0.188545 percent, a decrease of 0.000666 from the District's proportion at June 30, 2021.

For the year ended June 30, 2023, the School District recognized a pension debit of \$4,562,971. At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 3,791,170	\$ 72,498
Changes of Assumptions	7,018,241	1,457,419
Net Difference Between Projected and Actual Earnings on Pensions Plan Investments	4,674,754	
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	75,747	183,502
Contributions Subsequent to the Measurement Date	<u>3,520,398</u>	
Total	<u>\$ 19,080,310</u>	<u>\$ 1,713,419</u>

Amounts reported as deferred outflows/inflows of resources related to pensions resulting from School District contributions subsequent to the measurement date, if any, will be recognized as a reduction of the net pension liability. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2023	\$ 2,637,189
2024	\$ 1,356,770
2025	\$ (593,041)
2026	\$ 9,205,972
2027	\$ 1,180,726
Thereafter	\$ 58,877

(d) Actuarial Assumptions

The total pension liability at June 30, 2022 measurement date was determined by using an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. The actuarial valuation used the following actuarial assumptions.

Investment Rate	
of Return	6.95 % compounded annually, net of pension plan investment expense, including inflation.
Salary Scale	Rates of increase differ based on service.
	They have been calculated based upon recent NYSTRS member experience.

Service	Rate
5	5.18%
15	3.64%
25	2.50%
35	1.95%

Projected COLAs	1.3% compounded annually.
Inflation Rate	2.4% compounded annually, net of pension plan investment expense, including inflation

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on the Society of Actuaries Scale MP 2021, applied on a generational basis. Active member mortality rates are based on plan member experience, with adjustments for mortality improvements based on Scale MP 2021 starting as of June 30, 2022.

The actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2021.

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

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

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the measurement date of June 30, 2022 is summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic equities	33.0%	6.5%
International equities	16.0%	7.2%
Global equities	4.0%	6.9%
Real estate equities	11.0%	6.2%
Private Equities	8.0%	9.9%
Domestic fixed income securities	16.0%	1.1%
Global bonds securities	2.0%	0.6%
High-yield bonds securities	1.0%	3.3%
Private debt	2.0%	5.3%
Real estate debt	6.0%	2.4%
Cash equivalents	1.0%	-0.3%
	<u>100.0%</u>	

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

(e) Discount Rate

The discount rate used to measure the total pension liability (asset) was 6.95 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from school districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(f) Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) to the Discount Rate Assumption

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

	1% Decrease <u>5.95%</u>	Current Assumption <u>6.95%</u>	1% Increase <u>7.95%</u>
Proportionate Share of			
the Net Pension Liability (Asset)	\$ 33,359,336	\$ 3,617,965	\$ (21,394,332)

(g) Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued TRS financial report.

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

(h) Payables to the Pension Plan

The School District has recorded an amount due to TRS in amount of 3,520,398 (not including the employee share) in the General Fund at June 30, 2023. This amount represents contribution for the 2022-2023 fiscal year that will be made in 2023-2024 and has been accrued as an expenditure in the current year.

10. INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS

Fund	Interfund		Interfund	
	Receivables	Payables	Revenues	Expenditures
General	\$ 2,500,000	\$ 4,336	\$ 12,556	\$ 1,076,636
Special Aid	4,336	2,500,000	521,021	
School Lunch			20,615	
Capital Fund			535,000	12,556
Total	<u>\$ 2,504,336</u>	<u>\$ 2,504,336</u>	<u>\$ 1,089,192</u>	<u>\$ 1,089,192</u>

- Interfund receivables and payables are typically liquidated within 1 year and are for cash flow purposes.
- The School District typically transfers from the General Fund to the Special Aid Fund, as a required local match for federal and state grants.
- The School District transferred a total of \$535,000 from the General Fund to the Capital Fund for the District Wide Renovation and Flooring Project and the unspent amount of the \$100,000 Capital flooring project was returned to the general fund and put back into fund balance.
- The School District typically transfers from the General Fund to the School Lunch Fund to cover excess costs incurred.

11. OTHER POSTEMPLOYMENT BENEFITS

(a) Plan Description

The School District administers a self-insured Minimum Premium Traditional Indemnity Plan to eligible retirees and dependents. The Plan provides for continuation of medical insurance benefits for certain retirees and their spouses and can be amended by action of the School District subject to applicable collective bargaining and employment agreements as follows:

- Eligibility – Employees must have at least 10 years of continuous service and retire as a member of the NYS Pension Retirement System and be eligible to collect benefits.
- Retiree Benefit – All retirees meeting the eligibility requirements and having between 10 and 14 continuous years of service are responsible for 30% of the premium for either single or family coverage. Retirees having over 15 years of continuous years of service are responsible for 0% of the premium for single coverage or 15% of the premium for family coverage. Teachers retiring with at least 15 years of service and an accrued balance of sick/personal days will be eligible for extended individual dental coverage in retirement at a cost equal to 15% of the premium. Years of coverage for the dental coverage depend on the number of sick days accrued.
- Teachers hired on/after July 1, 2016 that meet the above eligibility requirements and have at least 10 years but less than 15 years of continuous service to the District in an appointed position, are responsible for 30% of the premium for either single or family coverage. Retirees that have 15 or more years of continuous service are responsible for 10% of premium for single coverage or 15% for family coverage.
- Length of coverage: All teachers hired on/after July 1, 2017 will receive postemployment medical coverage from the District for a period of seven years after the date of retirement. The District provides lifetime medical coverage to all other retirees and their spouses.

The Plan does not issue a standalone publicly available financial report since no assets are accumulated in a trust that meets all of the criteria in GASB Statement No. 75, paragraph 4.

(b) Benefits Provided

The obligations of the Plan members, employers, and other entities are established by action of the School District pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members vary depending on the applicable agreement. For the year ended June 30, 2023, the School District's Plan contributions ranged from 70% to 100% of the required annual premiums.

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

(c) Employees Covered by Benefit Terms

	<u>Total</u>
Inactive employees currently receiving benefit payments	581
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>610</u>
Total	<u><u>1,191</u></u>

(d) Total OPEB Liability

The District's total OPEB liability of \$228,526,473 was measured as of July 1, 2022 and was determined by an actuarial valuation as of July 1, 2022.

(e) Changes in the Net OPEB Liability

Changes in the District's total OPEB liability were as follows:

	<u>Total OPEB Liability</u>
Balances, July 1, 2022	\$ <u>258,397,536</u>
Changes recognized for the year:	
Service cost	8,575,190
Interest on Total OPEB Liability	5,647,602
Changes of Benefit Terms	(8,227,766)
Differences between expected and actual experience	(310,167)
Change in assumptions and other inputs	(29,423,735)
Benefit payments	<u>(6,132,187)</u>
Net changes	<u>(29,871,063)</u>
Balances, June 30, 2023	<u><u>\$ 228,526,473</u></u>

(f) Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2022, using the measurement date of July 1, 2022 and rolled forward to June 30, 2023, the reporting date. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Actuarial Assumptions

Valuation Date	July 1, 2022
Measurement Date	July 1, 2022
Reporting Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal - Level Percent of Pay
Plan Type	Single Employer Defined Benefit Plan
Inflation rate	2.50%
Healthcare Cost Trend Rates	7.80 to 3.94%
Discount Rate	3.54%
Salary Scale	3.50%
Mortality - Actives	The Pub-2010 Mortality Table for employees: sex distinct, job category-specific, headcount weighted, and adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis.

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

The following changes in actuarial assumptions have been made since the prior measurement date:

- Changes of assumptions and other inputs reflect a change in the discount rate from 2.14% on July 1, 2021 to 3.54% percent on July 1, 2021.

Discount Rate – The selected discount rate of 3.54% is based on the prescribed discount interest rate methodology under GASB 75 based on an average of three 20-year bond indices (Bond Buyer-20 Bond GO Index) as of July 1, 2022.

Cash Flows – The cash flows into and out of the Plan are expected to be consistent with the above assumptions and Plan descriptions of participant contributions.

(g) Sensitivity of the total OPEB liability to changes in the discount rate

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

	1% Decrease 2.54%	Current Assumption 3.54%	1% Increase 4.54%
Total OPEB liability	\$ 268,072,263	\$ 228,526,473	\$ 196,741,591

(h) Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.80 declining to 2.94 percent) or 1 percentage point higher (8.80 declining to 4.94 percent) than the current healthcare cost trend rate:

	1% Decrease 6.80-2.94%	Current Assumption 7.80-3.94%	1% Increase 8.80-4.94%
Total OPEB liability	\$ 193,716,471	\$ 228,526,473	\$ 273,034,752

Sensitivity analysis for healthcare cost inflation (trend) rate is illustrated as of end of year.

(i) 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 income of \$2,691,804. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 8,662,849
Changes of assumptions	20,926,868	24,945,305
Contributions subsequent to the measurement date	6,411,599	
Total	\$ 27,338,467	\$ 33,608,154

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

Contributions subsequent to the measurement date will be recognized in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	Amount
2024	\$ (2,238,002)
2025	679,553
2026	(3,201,638)
2027	(5,169,062)
2028	(2,752,137)

12. CONTINGENCIES

Risk Financing and Related Insurance

(a) General Information

The East Syracuse Minoa 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 and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

(b) Nonpool, Risk Retained

The East Syracuse Minoa Central School District has chosen to establish a Risk Financing Fund for risks associated with the Workers' Compensation Plan. The Risk Financing Fund is accounted for in the General Fund where assets are set aside for claim settlements.

Liabilities of the Fund/Plan are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities do not include an amount for claims that have been incurred but not reported (IBNR) since these amounts cannot be reasonably estimated.

(c) Pool, Non-Risk Retained

For its employee health insurance coverage, the East Syracuse Minoa Central School District is a participant in the Cooperative Health Insurance Fund of Central New York, a public entity risk pool operated for the benefit of 28 individual governmental units located within the counties of Onondaga, Cortland, and Madison. The School District pays an annual premium to the Plan for this employee health insurance coverage. The Cooperative Health Insurance Fund of Central New York is considered a self-sustaining risk pool that will provide coverage for its members. The Cooperative Health Insurance Fund of Central New York obtains independent coverage for aggregate claims that approximate \$148 million and the East Syracuse Minoa Central School District has essentially transferred all related risk to the Cooperative Health Insurance Fund of Central New York. During the 2022-2023 school year, the School District's expenditure to the pool was \$19,547,653.

(d) Potential Grantor Liability

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal and State governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School District expects such amounts, if any, to be immaterial.

(e) Construction Commitments

The School District had various open capital projects during the year ended June 30, 2023, with a total authorization of approximately \$56 million.

At June 30, 2023, the School District had construction commitments outstanding of approximately \$1.4 million, which are contingent on performance of contractors. If any contract should exceed the original contract, then the excess will be financed from the remaining bond proceeds or current appropriations as approved by the voters.

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

13. FUND BALANCE

(a) The following is a summary of the change in General Fund restricted reserve funds during the year ended June 30, 2023:

Restricted	Beginning Balance	Additions	(Deletions)	Ending Balance
Capital	\$ 4,199,263	\$ 946,530	\$	\$ 5,145,793
Employee Benefit Accrued Liability	257,495		(54,614)	202,881
Tax Certiorari	1,763,884	1,870,636		3,634,520
Retirement Contribution-ERS	827,567	3,090,914	(323,305)	3,595,176
Workers Compensation	1,234,693	43,084		1,277,777
Unemployment Insurance	562,012	19,611		581,623
Retirement Contribution-TRS	1,225,938	717,778		1,943,716
Total	\$ 10,070,852	\$ 6,688,553	\$ (377,919)	\$ 16,381,486

(b) The following is the disaggregation of the fund balance that is reported in summary on the Governmental Fund's Balance Sheet:

	General	School Lunch	Special Aid	Special Revenue	Debt Service	Capital	Total
Nonspendable	\$	\$ 23,236	\$	\$	\$	\$	\$ 23,236
Restricted							
Capital Reserve	5,145,793						5,145,793
Employee Benefit Accrued Liability Reserve	202,881						202,881
Tax Certiorari Reserve	3,634,520						3,634,520
Retirement Contribution Reserve-ERS	3,595,176						3,595,176
Workers' Compensation Reserve	1,277,777						1,277,777
Unemployment Insurance Reserve	581,623						581,623
Debt Service-Principal and Interest					2,890,617		2,890,617
Capital Projects Fund						1,100,778	1,100,778
Scholarships and Donations				229,859			229,859
Retirement Contribution Reserve -TRS	1,943,716						1,943,716
Total Restricted	16,381,486			229,859	2,890,617	1,100,778	20,602,740
Assigned							
Encumbrances	63,096						63,096
Food Service Program		908,772					908,772
Total Assigned	63,096	908,772					971,868
Unassigned (Deficit)	4,036,728		(2,103)			(1,342,907)	2,691,718
Total Fund Balance (Deficit)	\$ 20,481,310	\$ 932,008	\$ (2,103)	\$ 229,859	\$ 2,890,617	\$ (242,129)	\$ 24,289,562

14. DEFICIT NET POSITION

At June 30, 2023 the District Wide Statement of Net Position had an unrestricted (deficit) of \$219,748,466 and a deficit net position of \$128,501,842. The deficit is primarily the result of the implementation of GASB Statement 75, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions," which requires the recognition of an unfunded liability of \$228,526,473 at June 30, 2023. Since New York State Laws provide no mechanism for funding the liability, the subsequent accruals are expected to increase the deficit in subsequent years.

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2023

15. DEFICIT FUND BALANCE

The Capital Fund had a deficit fund balance at June 30, 2023 of \$1,342,907. The deficit is due to the current capital projects being funded with a short-term bond anticipation note. The deficit will be eliminated when the note is either repaid with current appropriations or refinanced with long-term debt.

The Federal Fund has a deficit fund balance at June 30, 2023 of \$2,103. The deficit is due to government withholdings of program fundings not received. The deficit will be eliminated when the revenue is received or when the district has determined that this amount is uncollectible.

16. TAX ABATEMENTS

The District is subject to tax abatements that are granted by the Onondaga County Industrial Development Agency (OCIDA). Article 18-A of the New York State Municipal Law, "New York State Industrial Development Agency Act" was enacted to provide for the creation of Industrial Development Agencies (IDA's) to facilitate economic development in specific localities, and delineate their powers and status as public benefit corporations. The legislation establishes the power of New York IDA's, including the authority to grant tax abatements and enter into agreements to require payments in lieu of taxes. Each IDA must adopt and follow a tax exemption policy with input from the effected taxing jurisdictions, however once created the IDA can independently grant abatements in conformity with their policy. The OCIDA enters into agreements to abate property tax for the purpose of increasing or retaining employment in the County.

Property abatements may be partially offset by an agreement that requires payments in lieu of taxes. These agreements specify the annual amount to be remitted by the property owner and are allocated to the effected jurisdiction based on the proportion of taxes abated. The District has chosen to disclose information about its tax abatement by purpose. It established a quantitative threshold of 10 percent of the total dollar amount of taxes abated during the year.

Abatement agreements of OCIDA resulted in a revenue impact to the District for the year ended June 30, 2023 as follows:

<u>Purpose</u>	<u>Gross Tax Reduction</u>	<u>Payments in Lieu of Taxes</u>	<u>Net Revenue Reduction</u>
Economic Development and Job Creation	\$ 1,968,907	\$ 750,626	\$ 1,342,997

The District also has an agreement with the Syracuse Airport Authority pursuant to Section 406 of the New York Real Property Tax Law. This agreement commenced in 2009 and is in perpetuity. For the year ended June 30, 2023, the District's property tax revenue was reduced by \$1,561,906 and they received payment in lieu of taxes totaling \$220,000.

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual		Final Budget Variance With Actual
Revenues					
Local Sources					
Real Property Taxes	\$ 46,564,175	\$ 46,564,175	\$ 46,884,021	\$	319,846
Other Real Property Tax Items	6,137,277	6,137,277	5,651,515		(485,762)
Nonproperty Tax Items	111,000	111,000	154,016		43,016
Charges for Services	1,465,399	1,465,399	2,061,875		596,476
Use of Money and Property	77,500	77,500	1,049,507		972,007
Sale of Property and Compensation for Loss	31,500	31,500	22,098		(9,402)
Miscellaneous	562,000	562,000	1,458,926		896,926
State Aid	36,201,632	36,201,632	35,886,761		(314,871)
Federal Aid	300,000	300,000	659,815		359,815
Total Revenues	91,450,483	91,450,483	93,828,534		2,378,051
Other Financing Sources					
Transfers from Other Funds			12,556		12,556
Appropriated Reserves	350,000	350,000			(350,000)
Appropriated Fund Balance	673,661	673,661			(673,661)
Total Revenues and Other Financing Sources	\$ 92,474,144	\$ 92,474,144	93,841,090	\$	1,366,946
Expenditures					
	Original Budget	Final Budget	Actual	Year-End Encumbrances	Final Budget Variance With Actual And Encumbrances
General Support					
Board of Education	\$ 36,531	\$ 36,531	28,207	\$	8,324
Central Administration	350,722	370,172	366,251		3,921
Finance	707,687	715,758	688,842		26,916
Staff	569,796	568,227	561,080		7,147
Central Services	5,344,210	5,489,077	5,250,989	32,559	205,529
Special Items	649,077	726,146	671,839		54,307
Total General Support	7,658,023	7,905,911	7,567,208	32,559	306,144
Instruction					
Instruction, Administration, and Improvement	2,173,771	2,312,453	2,272,812	9,200	30,441
Teaching - Regular School	23,290,148	22,223,414	21,671,270	16,214	535,930
Programs for Children With Special Needs	12,642,576	12,267,226	12,014,144		253,082
Occupational Education	65,177	65,177	65,177		
Teaching - Special School	190,713	179,263	173,679		5,584
Instructional Media	3,551,656	3,914,468	3,251,179		663,289
Pupil Services	3,108,244	3,291,167	3,164,818		126,349
Total Instruction	45,022,285	44,253,168	42,613,079	25,414	1,614,675
Pupil Transportation	4,179,281	4,037,036	3,888,632	5,123	143,281
Community Services	1,596	1,596	784		812
Employee Benefits	26,720,857	26,190,241	25,429,046		761,195
Debt Service - Principal	6,212,906	3,296,840	3,397,436		(100,596)
Debt Service - Interest	1,416,798	1,584,178	1,584,178		
Total Expenditures	91,211,746	87,268,970	84,480,363	63,096	2,725,511
Other Financing Uses					
BANS Redeemed from Appropriations	532,398	4,019,559	4,019,559		
Transfers to Other Funds	730,000	1,185,615	1,076,636		108,979
Total Expenditures and Other Financing Uses	\$ 92,474,144	\$ 92,474,144	89,576,558	\$ 63,096	\$ 2,834,490
Net Change in Fund Balance			4,264,532		
Fund Balance - Beginning of Year			16,216,778		
Fund Balance - End of Year			<u>\$ 20,481,310</u>		

Notes to Required Supplementary Information

The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund, the only fund with a legally adopted budget.

The budget is adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year. See Independent Auditor's Report.

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
SCHEDULES OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
For the Year Ended June 30, 2023

	<u>2023*</u>	<u>2022*</u>	<u>2021*</u>	<u>2020*</u>	<u>2019*</u>	<u>2018*</u>
Total OPEB Liability						
Service cost	\$ 8,575,190	\$ 8,925,196	\$ 7,018,396	\$ 6,530,709	\$ 7,087,414	\$ 9,231,766
Interest on Total OPEB Liability	5,647,602	5,726,831	7,905,182	7,854,949	8,239,606	7,175,392
Change in assumptions and other inputs	(29,423,735)	3,068,436	34,264,108	13,066,137	(7,810,251)	(32,724,526)
Differences between expected and actual experience	(310,167)	(6,620,126)	(12,306,547)		(26,644,202)	
Changes in Benefit Terms	(8,227,766)				(1,491,321)	
Benefit payments	(6,132,187)	(5,820,390)	(5,215,011)	(4,879,799)	(4,584,639)	(4,272,333)
Net change in total OPEB Liability	<u>(29,871,063)</u>	<u>5,279,947</u>	<u>31,666,128</u>	<u>22,571,996</u>	<u>(25,203,393)</u>	<u>(20,589,701)</u>
Total OPEB Liability - Beginning	<u>258,397,536</u>	<u>253,117,589</u>	<u>221,451,461</u>	<u>198,879,465</u>	<u>224,082,858</u>	<u>244,672,559</u>
Total OPEB Liability - Ending	<u>\$ 228,526,473</u>	<u>\$ 258,397,536</u>	<u>\$ 253,117,589</u>	<u>\$ 221,451,461</u>	<u>\$ 198,879,465</u>	<u>\$ 224,082,858</u>
Covered payroll	\$ 43,925,592	\$ 41,677,078	\$ 42,065,028	\$ 41,818,448	\$ 40,512,569	\$ 41,368,363
Total OPEB Liability as a percentage of covered payroll	520%	620%	602%	530%	491%	542%

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

Notes to Required Supplementary Information:

The District does not currently maintain assets in an OPEB trust.

Actuarial Assumptions

The actuarial methods and assumptions used to calculate the total OPEB liability are described in Note 11 to the financial statements.

Changes to Assumptions

The discount rate changed from 2.14% to 3.54%, which is a prescribed discount rate under GASB 75, and is based on the Bond Buyer General Obligation 20-Bond Municipal Index.

See Independent Auditor's Report.

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
SCHEDULES OF DISTRICT'S CONTRIBUTIONS
For the Year Ended June 30, 2023

ERS Pension Plan										
Last 10 Fiscal Years										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 1,057,486	\$ 1,408,392	\$ 1,295,741	\$ 1,273,408	\$ 1,274,458	\$ 1,218,255	\$ 1,248,953	\$ 1,490,084	\$ 1,371,455	\$ 1,776,939
Contributions in Relation to the Contractually Required Contribution	<u>1,057,486</u>	<u>1,408,392</u>	<u>1,295,741</u>	<u>1,273,408</u>	<u>1,274,458</u>	<u>1,218,255</u>	<u>1,248,953</u>	<u>1,490,084</u>	<u>1,371,455</u>	<u>1,776,939</u>
Contribution Deficiency (Excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
School District's Covered-ERS Employee Payroll	\$ 10,299,969	\$ 9,686,967	\$ 8,987,044	\$ 8,866,913	\$ 8,715,763	\$ 8,051,788	\$ 8,168,719	\$ 8,262,733	\$ 8,000,139	\$ 8,899,103
Contributions as a Percentage of Covered-Employee Payroll	10.27%	14.54%	14.42%	14.36%	14.62%	15.13%	15.29%	18.03%	17.14%	19.97%

TRS Pension Plan										
Last 10 Fiscal Years										
	2022	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 3,273,315	\$ 3,060,569	\$ 2,821,901	\$ 3,343,183	\$ 3,341,525	\$ 2,995,695	\$ 3,402,512	\$ 3,761,274	\$ 4,885,480	\$ 4,435,156
Contributions in Relation to the Contractually Required Contribution	<u>3,273,315</u>	<u>3,060,569</u>	<u>2,821,901</u>	<u>3,343,183</u>	<u>3,341,525</u>	<u>2,995,695</u>	<u>3,402,512</u>	<u>3,761,274</u>	<u>4,885,480</u>	<u>4,435,156</u>
Contribution Deficiency (Excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
School District's Covered-TRS Employee Payroll	\$ 34,876,492	\$ 33,945,754	\$ 29,610,714	\$ 37,733,442	\$ 31,464,454	\$ 30,568,316	\$ 29,032,546	\$ 28,365,563	\$ 27,869,253	\$ 27,293,268
Contributions 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%

See Independent Auditor's Report.

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/ASSET
For the Year Ended June 30, 2023

ERS Pension Plan
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension asset/(liability)	0.027933%	0.028040%	0.028561%	0.029557%	0.029974%	0.027599%	0.029327%	0.031015%	0.030119%	0.030119%
District's proportionate share of the net pension asset/(liability)	\$ (5,990,048)	\$ 2,292,140	\$ (28,439)	\$ (7,826,875)	\$ (2,123,774)	\$ (890,751)	\$ (2,755,600)	\$ (4,978,065)	\$ (1,017,480)	\$ (1,361,018)
District's covered-employee payroll	\$ 10,299,969	\$ 9,686,967	\$ 8,987,044	\$ 8,866,913	\$ 8,715,763	\$ 8,051,788	\$ 8,168,719	\$ 8,262,733	\$ 8,000,139	\$ 8,899,103
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	(58.16%)	23.66%	0.32%	88.27%	24.37%	11.06%	33.73%	60.25%	12.72%	15.29%
Plan fiduciary net position as a percentage of total pension liability	90.78%	103.65%	99.95%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%	97.2%

TRS Pension Plan
Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension asset/liability	0.188545%	0.189211%	0.187649%	0.188598%	0.187664%	0.183333%	0.181461%	0.185531%	0.184769%	0.188037%
District's proportionate share of the net pension asset (liability)	\$ (3,617,965)	\$ 32,788,377	\$ (5,185,236)	\$ 4,899,788	\$ 3,393,455	\$ 1,393,491	\$ (1,943,521)	\$ 19,270,742	\$ 20,582,120	\$ 1,237,757
District's covered-employee payroll	\$ 33,945,754	\$ 29,610,714	\$ 37,733,442	\$ 31,464,454	\$ 30,568,316	\$ 29,032,546	\$ 28,365,563	\$ 27,869,253	\$ 27,293,268	\$ 27,550,270
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	(10.66%)	110.73%	(13.74%)	15.57%	11.10%	04.80%	(06.85%)	69.15%	75.41%	04.54%
Plan fiduciary net position as a percentage of total pension liability	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%	100.70%

**EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
SCHEDULES OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET
AND SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION
For the Year Ended June 30, 2023**

Change from Adopted Budget to Revised Budget

Adopted Budget	\$ 92,300,483
Add: Prior Year's Encumbrances	<u>173,661</u>
Original Budget	92,474,144
Final Budget	<u>\$ 92,474,144</u>

Section 1318 of Real Property Tax Law Limit Calculation

2023-24 voter-approved expenditure budget	<u>\$ 97,585,195</u>
Maximum allowed (4% of 2023-24 budget)	<u>\$ 3,903,408</u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law :

Unrestricted fund balance:

Assigned fund balance	\$ 63,096
Unassigned fund balance	<u>4,036,728</u>
Total unrestricted fund balance	<u>4,099,824</u>

Less:

Encumbrances included in assigned fund balance	<u>63,096</u>
Total adjustments	<u>63,096</u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u>\$ 4,036,728</u>
--	---------------------

Actual percentage	4.14%
-------------------	-------

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
For the Year Ended June 30, 2023

PROJECT TITLE	Original Authorization	Revised Authorization	Expenditures			Unexpended Balance	Proceeds of Obligations	Methods of Financing			Fund Balance June 30, 2023
			Prior Years	Current Year	Total			Federal and State Aid	Local Sources	Total	
Pine Grove Middle School Emergency Project	\$ 500,000	\$ 500,000	\$ 273,623	\$	\$ 273,623	\$ 226,377	\$	\$	\$ 273,623	\$ 273,623	\$
District wide Construction/Renovation Project	49,800,000	49,800,000	43,717,796	5,238,414	48,956,210	843,790	39,899,559		9,799,999	49,699,558	743,348
Buses 21/22	743,240	743,240	743,240		743,240				750,697	750,697	7,457
Storage Building	50,000	50,000				50,000					
DASNY Project	932,100	932,100	62,445	752,723	815,168	116,932		332,098		332,098	(483,070)
East Syracuse-Minoa High School Flooring 20-21	100,000	100,000	84,380		84,380	15,620			84,380	84,380	
Smart Bonds	2,298,247	2,298,247	2,195,904		2,195,904	102,343		2,195,904		2,195,904	
Capital Outlay 2021-22	100,000	118,000	117,953		117,953	47			118,000	118,000	47
Buses 22/23	860,843	860,843		859,837	859,837	1,006					(859,837)
Capital Outlay 2022-23	100,000	100,000		100,000	100,000				100,000	100,000	
Data Center				74	74	(74)			350,000	350,000	349,926
Emergency Project- Transportation Garage	85,000	85,000		72,444	72,444	12,556			72,444	72,444	
Totals	\$ 55,569,430	\$ 55,587,430	\$ 47,195,341	\$ 7,023,492	\$ 54,218,833	\$ 1,368,597	\$ 39,899,559	\$ 2,528,002	\$ 11,549,143	\$ 53,976,704	\$ (242,129)

See Independent Auditor's Report

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
NET INVESTMENT IN CAPITAL ASSETS
June 30, 2023

Capital and Leased Assets, Net	\$ 123,904,498
Deduct:	
Serial Bonds Payable	(44,250,000)
Bond Premium	(6,348,191)
Energy Performance Contract	(1,505,818)
Deferred Amounts from Refunding of Debt	(19,954)
Capital Fund Fund Balance	(242,129)
Lease Liability	(954,555)
Add:	
Deferred Charge from Refunding of Debt	60,033
	<u>(53,260,614)</u>
Net Investment in Capital Assets	<u>\$ 70,643,884</u>

See Independent Auditor's Report.

D'Arcangelo & Co., LLP
Certified Public Accountants & Consultants

120 Lomond Court, Utica, N.Y. 13502-5950
315-735-5216 Fax: 315-735-5210

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

Board of Education
East Syracuse Minoa Central School District, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of East Syracuse Minoa Central School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise East Syracuse Minoa Central School District's basic financial statements, and have issued our report thereon dated October 9, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

D'Arcangelo & Co., LLP

October 9, 2023

Utica, New York

D'Arcangelo & Co., LLP
Certified Public Accountants & Consultants

120 Lomond Court, Utica, N.Y. 13502-5950
315-735-5216 Fax: 315-735-5210

**Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance
Required by the Uniform Guidance**

Board of Education
East Syracuse Minoa Central School District, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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.

D'Arcangelo & Co., LLP

October 9, 2023

Utica, New York

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Agency or Pass-through Number</u>	<u>Total Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
<u>U.S. Department of Agriculture</u>				
(Passed Through the State Education Department of the State of New York)				
Child Nutrition Cluster				
Non-Cash Assistance				
Food Donation (Non Cash)	10.555	N/A	\$ 62,543	\$ _____
Cash Assistance				
School Breakfast Program	10.553		283,528	
National School Lunch Program	10.555		1,013,188	
Summer Food Service Program for Children	10.559	N/A	42,303	
Cash Assistance Subtotal			1,339,019	
Total Child Nutrition Cluster			1,401,562	
COVID-19 P-EBT Local Level Administrative Cost Grant	10.649		4,396	
Child and Adult Care Food Program (CACFP)	10.558		766	
Total Additional Cash Assistance			5,162	
Total U.S. Department of Agriculture			1,406,724	
<u>U.S. Department of Education</u>				
(Passed Through the State Education Department of the State of New York)				
COVID-19 Education Stabilization Fund				
Governor's Emergency Education Relief Fund (GEER)	84.425C	5896-21-2095	93,638	
Elementary and Secondary School Emergency Relief (ESSER)	84.425D	5891-21-2095	1,465,713	
American Rescue Plan-Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5880-21-2095	1,067,554	
	84.425U	5882-21-2095	96,679	
	84.425U	5883-21-2095	46,676	
	84.425U	5884-21-2095	565,608	
Total Education Stabilization Fund			1,776,517	
Special Education Cluster				
Special Education - Grants to States, (IDEA, Part B)	84.027	0032-23-0640	971,348	
COVID-19 Special Education - Grants to States, (IDEA, Part B)	84.027X	5532-22-0640	129,106	
Special Education - Preschool Grants, (IDEA Preschool)	84.173	0033-23-0640	32,568	
COVID -19 Special Education - Preschool Grants, (IDEA Preschool)	84.173X	5533-22-0640	11,358	
Total Special Education Cluster			1,144,380	
Perkins IV/ CTEIA- Basic Grant	84.048A	8000-23-0095	23,696	
Title I Grants to Local Educational Agencies	84.010	0021-23-2095	524,526	
Title I Grants to Local Educational Agencies	84.010	0021-22-2095	15,434	
Title I Grants to Local Educational Agencies, SIG	84.010	0011-23-3034	112,527	
Title I Grants to Local Educational Agencies, SIG	84.010	0011-22-3034	26,624	
Title IV, Part A, Student Support and Academic	84.424	0204-23-2095	28,006	
Title IV, Part A, Student Support and Academic	84.424	0204-22-2095	500	
Improving Teacher Quality State Grants, (Title IIA)	84.367	0147-23-2095	91,311	
Improving Teacher Quality State Grants, (Title IIA)	84.367	0147-22-2095	9,462	
Total			832,086	
Total U.S. Department of Education			5,312,334	
<u>Total Federal Awards Expended</u>			\$ 6,719,058	\$ _____

See Notes to Schedule of Expenditures of Federal Awards and Independent Auditor's Report.

EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of East Syracuse Minoa Central School District, under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of East Syracuse Minoa Central School District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of East Syracuse Minoa Central School District.

Basis of Accounting

The expenditures in the accompanying schedule are presented on an accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

De Minimis Indirect Cost Rate

East Syracuse Minoa Central School District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Food Donation

Nonmonetary assistance is reported in the schedule at fair market value of the food commodities received. At June 30, 2023, the School District had food commodities totaling \$23,236 in inventory.

**EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL
 COMPLIANCE REQUIREMENTS
 For the Year Ended June 30, 2023**

Summary of Auditor's Results

Type of Financial Statement Opinion	Unmodified
Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
Were there any other significant deficiencies reported at the financial statement level (GAGAS)?	No
Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
Were there any material internal control weakness conditions reported for major Federal programs?	No
Were there any other significant deficiencies reported for major Federal programs?	No
Type of Major Programs' Compliance Opinion	Unmodified
Are there any finding disclosed that are required to be reported in accordance with § 2 CFR-200.516(a)?	No
Major Programs (list):	<u>U.S. Department of Education</u> COVID-19 Education Stabilization Fund ALN # 84.425C – Governor's Emergency Education Relief Fund (GEER) ALN # 84.425D – Elementary and Secondary School Emergency Relief (ESSER) ALN # 84.425U – American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) Special Education Cluster Special Education- Grants to States (IDEA, Part B) 84.027 COVID-19 Special Education – Grants to States, (IDEA, Part B) 84.027X Special Education- Preschool Grants (IDEA, Preschool) 84.173 COVID -19 Special Education - Preschool Grants, (IDEA Preschool) 84.173X <u>U.S. Department of Agriculture</u> ALN # 10.555 Non-Cash Assistance Food Donation, ALN # 10.553 School Breakfast Program, ALN # 10.555 National School Lunch Program ALN # 10.559 Summer Food Service Program
Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
Low Risk Auditee?	Yes

Findings – Financial Statement Audit

None noted in the current year.

Findings and Questioned Costs – Major Federal Award Programs Audit

None noted in the current year.

**EAST SYRACUSE MINOA CENTRAL SCHOOL DISTRICT
STATUS OF PRIOR YEAR'S FINDINGS AND QUESTIONED COSTS – FEDERAL COMPLIANCE REQUIREMENTS
For the Year Ended June 30, 2023**

None.