

PRELIMINARY OFFICIAL STATEMENT

NEW AND RENEWAL ISSUE

BOND ANTICIPATION NOTES

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes. See "TAX MATTERS" herein.

The Notes will NOT be designated "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

\$1,330,000



WINDSOR CENTRAL SCHOOL DISTRICT

BROOME COUNTY, NEW YORK

GENERAL OBLIGATIONS

\$1,330,000 Bond Anticipation Notes, 2024

(the "Notes")

Dated: May 2, 2024

Due: May 2, 2025

The Notes are general obligations of the Windsor Central School District, Broome County, New York (the "School District" or "District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Notes are not subject to redemption prior to maturity. At the option of the purchaser(s), the Notes will be issued as registered certificated notes or registered in the name of the purchaser. If such Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds. In such case, the Notes will be issued as registered in the name of the purchaser in denominations of \$5,000 or multiples thereof, as may be determined by such successful bidder(s).

Alternatively, if the Notes are issued as book-entry-only registered notes, the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the notes purchased if the purchaser(s) elects to register the Notes. Such Notes will be issued in denominations of \$5,000 or multiples thereof, as may be determined by such successful bidder(s). If the Notes are issued as registered notes, payment of the principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in "street name". Payment will be the responsibility of such DTC Direct or Indirect Participants and the District, subject to any statutory and regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon with the purchaser(s), on or about May 2, 2024.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com, on April 17, 2024 by no later than 10:45 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale for the Notes.

April 11, 2024

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S), AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS DEFINED IN THE RULE. SEE "CONTINUING DISCLOSURE" HEREIN.

**WINDSOR CENTRAL SCHOOL DISTRICT
BROOME COUNTY, NEW YORK**

SCHOOL DISTRICT OFFICIALS

2023-2024 BOARD OF EDUCATION

PETER NOWACKI
President



MARGO KIBBLER
Vice President

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RHEA DEYO
DAVID BIDWELL
TOM STARLEY
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* * * * *

DR. JASON ANDREWS
Superintendent of Schools

ANDREW FIORENTINO
Assistant Superintendent for Business & Administrative Services

 **Coughlin &
Gerhart LLP**
School District Attorney



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisors



ORRICK, HERRINGTON & SUTCLIFFE LLP
Bond Counsel

No person has been authorized by Windsor Central School District to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of Windsor Central School District.

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
THE NOTES	1	SPECIAL PROVISIONS AFFECTING	
Description of the Notes	1	REMEDIES UPON DEFAULT	24
No Optional Redemption	1	MARKET AND RISK FACTORS	25
Purpose of Issue	1	TAX MATTERS	26
NATURE OF OBLIGATION	2	LEGAL MATTERS.....	27
BOOK-ENTRY-ONLY SYSTEM.....	3	LITIGATION.....	27
Certificated Notes	5	CONTINUING DISCLOSURE	28
THE SCHOOL DISTRICT.....	5	Historical Continuing Disclosure Compliance	28
General Information.....	5	MUNICIPAL ADVISOR.....	28
District Population	5	CUSIP IDENTIFICATION NUMBERS.....	28
Selected Wealth and Income Indicators.....	6	RATINGS	28
Five Largest Employers	6	MISCELLANEOUS	28
Unemployment Rate Statistics.....	6		
Form of School Government	7	APPENDIX – A	
Budgetary Procedures and Recent Budget Votes.....	7	GENERAL FUND - Balance Sheets	
Investment Policy	7	APPENDIX – A1	
State Aid	8	GENERAL FUND – Revenues, Expenditures and	
State Aid Revenues.....	11	Changes in Fund Balance	
District Facilities.....	11	APPENDIX – A2	
Enrollment Trends	11	GENERAL FUND – Revenues, Expenditures and	
Employees	11	Changes in Fund Balance - Budget and Actual	
Status and Financing of Employee Pension Benefits	12	APPENDIX – B	
Other Post-Employment Benefits	14	BONDED DEBT SERVICE	
Other Information	15	APPENDIX – B1-B2	
Financial Statements.....	15	CURRENT BONDS OUTSTANDING	
New York State Comptroller Report of Examination.....	15	APPENDIX – C	
The State Comptroller’s Fiscal Stress Monitoring System ...	16	MATERIAL EVENT NOTICES	
TAX INFORMATION	16	APPENDIX – D	
Taxable Assessed Valuations.....	16	FORM OF BOND COUNSEL’S OPINION	
Tax Rate Per \$1,000 (Assessed)	16	APPENDIX – E	
Tax Collection Procedure	17	AUDITED FINANCIAL STATEMENTS –	
Tax Levy and Tax Collection Record	17	Fiscal Year Ended June 30, 2023	
Real Property Tax Revenues.....	17		
Ten Largest Taxpayers 2023 for 2023-24 Tax Roll.....	17		
STAR – School Tax Exemption	18		
Additional Tax Information	19		
TAX LEVY LIMITATION LAW.....	19		
STATUS OF INDEBTEDNESS.....	20		
Constitutional Requirements.....	20		
Statutory Procedure	20		
Debt Outstanding End of Fiscal Year	21		
Details of Outstanding Indebtedness	21		
Debt Statement Summary	22		
Bonded Debt Service	22		
Capital Project Plans.....	22		
Cash Flow Borrowings	22		
Estimated Overlapping Indebtedness	23		
Debt Ratios	23		

PREPARED WITH THE ASSISTANCE OF



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OFFICIAL STATEMENT
of the
WINDSOR CENTRAL SCHOOL DISTRICT
BROOME COUNTY, NEW YORK

Relating To
\$1,330,000 Bond Anticipation Notes, 2024

This Official Statement, which includes the cover page and appendices, has been prepared by the Windsor Central School District, Broome County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of \$1,330,000 principal amount of Bond Anticipation Notes, 2024 (the "Notes").

The factors affecting the District's financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the District tax base, revenues, and expenditures, this Official Statement should be read in its entirety, and no one factor should be considered more or less important than any other by reason of its relative position in this Official Statement.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the District contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Notes and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive forms of the Notes and such proceedings.

THE NOTES

Description of the Notes

The Notes are general obligations of the District, and will contain a pledge of its faith and credit for the payment of the principal thereof and interest thereon as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2: Local Finance Law, Section 100.00). All the taxable real property within the District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF THE OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Notes will be dated May 2, 2024 and will mature May 2, 2025. The Notes are not subject to redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in registered form at the option of the Purchaser either (i) registered certificated form in the name of the purchaser, or (ii) registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC") which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law and various bond resolutions adopted by the District authorizing serial bonds to finance the acquisition of buses. The proceeds of the Notes, along with \$392,914 available funds of the District, will redeem and partially renew \$1,217,914 bond anticipation notes currently outstanding and maturing on May 3, 2024, and will provide \$505,000 in new monies for the aforementioned purposes.

NATURE OF OBLIGATION

Each Note when duly issued and paid for will constitute a contract between the District and the holder thereof.

Holders of any series of notes or bonds of the District may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Notes will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the District has power and statutory authorization to levy ad valorem taxes on all real property within the District subject to such taxation by the District, without limitation as to rate or amount.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay “interest on or principal of indebtedness theretofore contracted” prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law” or “Chapter 97”). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Notes and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the District’s power to increase its annual tax levy, with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See “TAX INFORMATION - Tax Levy Limitation Law” herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State’s highest court, in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), as follows:

“A pledge of the City’s faith and credit is both a commitment to pay and a commitment of the City’s revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City’s “faith and credit” is secured by a promise both to pay and to use in good faith the City’s general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, “faith” and “credit” are used and they are not tautological. That is what the words say and this is what the courts have held they mean... So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City’s power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted... While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded”.

In addition, the Court of Appeals in the *Flushing National Bank* (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution, which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, ensuring the availability of the levy of property tax revenues to pay debt service. As the *Flushing National Bank* (1976) Court noted, the term “faith and credit” in its context is “not qualified in any way”. Indeed, in *Flushing National Bank v. Municipal Assistance Corp.*, 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In *Quirk v. Municipal Assistance Corp.*, 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, “with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations.” According to the Court in *Quirk*, the State Constitution “requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness.”

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In *Quirk v. Municipal Assistance Corp.*, the Court of Appeals described this as a “first lien” on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Notes, if so requested. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each note bearing the same rate of interest and CUSIP number and will be deposited with DTC.

DTC, a limited-purpose trust company organized under the New York Banking Law, is a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption proceeds, distributions, and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company.

THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE DISTRICT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE DISTRICT MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Certificated Notes

If the book-entry form is initially chosen by the purchaser(s) of the Notes, DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is utilized by a purchaser(s) of the Notes upon issuance and later discontinued, the following provisions will apply:

The Notes will be issued in registered form in denominations of \$5,000 or integral multiples thereof. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the District. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The District is located in upstate New York in the eastern portion of the County of Broome. The City of Binghamton is approximately 15 miles west. The District encompasses approximately 119 square miles of land area. Major highways of service to the District include Interstate Route 81, U.S. Route 17 (I-86) and State highways 7 and 79.

The District is mixed in character, and is primarily commercial and industrial to the north and west near Binghamton and primarily residential and agricultural to the south and east near the Catskills. Professional and commercial services are available to residents in Binghamton. Commercial banking services are provided by M&T Bank in Kirkwood; and JPMorgan Chase Bank in Binghamton.

Many of the residents are employed at one of the more than 350 manufacturing firms in Broome County. Located in the District are L3 Communications, Link Simulation & Training, Frito Lay, Putnam Publishing Group, Willow Run Foods, and American Pipe & Plastics, Inc. Other firms in the County include International Business Machines Corporation (IBM) (manufacturing data-processing equipment and computer circuits), Universal Instruments Corporation (manufacturing printed circuit board assembly machines, component preparation machines, and semi-automatic wire termination machines), the Raymond Corporation (manufacturing narrow-aisle electric fork-lift trucks as well as Impress (recycling), Crowley Foods, and Rockwell Collins (aviation consultant). Additionally, Dick's Sporting Goods opened a 245,000 square foot addition to its distribution and fulfillment center facilities in Broome County Corporate Park, with an employment projection of 400-500 full-time jobs.

Police protection is afforded residents through local and State agencies. Fire protection is provided by various volunteer fire departments.

Source: District officials.

District Population

The current estimated population of the District is 10,037. (Source: 2018-2022 American Community Survey 5-Year Estimates.)

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Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The smallest areas for which such statistics are available (which includes the District) are the Towns and County listed below. The figures set below with respect to such Towns and County is included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Towns or the County is necessarily representative of the District, or vice versa.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2018-2022</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2018-2022</u>
Towns of:						
Colesville	\$ 18,938	\$ 24,986	\$ 29,026	\$ 55,553	\$ 75,938	\$ 81,102
Kirkwood	24,661	28,127	30,882	60,313	61,750	84,663
Sanford	20,007	27,965	35,506	43,542	66,680	83,000
Windsor	21,418	28,655	32,752	47,472	79,620	76,458
County of						
Broome	24,314	29,721	33,674	57,545	69,596	78,605
State of:						
New York	30,948	40,898	47,173	67,405	87,270	100,846

Note: 2019-2023 American Community Survey estimates are not available as of the date of this Official Statement.

Source: 2000 U.S. Census Bureau, and 2006-2010 and 2018-2022 5-Year American Community Survey estimates.

Five Largest Employers

The following is a list of the largest employers within Broome County where the District is located:

<u>Employer</u>	<u>Type</u>	<u>Approximate Number of Employees</u>
Binghamton University	Education	5,943
United Health Services	Private Hospital	5,428
Lockheed Martin	Technology	2,700
Broome County	Government	2,500
Our Lady of Lourdes Hospital	Private Hospital	2,311

Source: District officials.

Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is Broome County. The information set forth below with respect to the County and the State of New York are included for information purposes only. It should not be inferred from the inclusion of such data in this Official Statement that the County or the State are necessarily representative of the District, or vice versa.

	<u>Annual Averages</u>						
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Broome County	5.5%	4.8%	4.5%	8.3%	5.3%	3.9%	3.9%
New York State	4.6%	4.1%	3.9%	9.8%	7.1%	4.3%	4.2%

	<u>2024 Monthly Figures</u>			
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>
Broome County	5.0%	4.9%	N/A	N/A
New York State	4.3%	4.5%	N/A	N/A

Note: Unemployment rates for the months of March and April of 2024 are not available as of the date of this Official Statement.

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted).

Form of School Government

The Board of Education which is the policy-making body of the District consists of seven members with overlapping three-year terms so that as nearly as possible an equal number is elected to the Board each year. Each Board member must be a qualified voter of the District and no Board member may hold certain other district offices or position while serving on the Board of Education. The President and the Vice President are selected by the Board members.

Budgetary Procedures and Recent Budget Votes

Pursuant to the Education Law, the Board of Education annually prepares or causes to be prepared, a budget for the ensuing fiscal year. A public hearing on such budget is held not less than seven days and not more than fourteen days prior to the vote. The Board of Education causes notice of such public hearing to be published four times beginning seven weeks prior to the vote. After the public hearing, but not less than six days prior to the budget vote, the District must mail a school budget notice to all qualified voters which contains the total budget amount, the dollar and percentage increase or decrease in the proposed budget (or contingency budget) as compared to the current budget, the percentage increase or decrease in the consumer price index, the estimated property tax levy, the basic STAR exemption impact and the date, time and place of the vote.

After the budget hearing and subsequent notice, a referendum upon the question of the adoption of the budget is held on the third Tuesday in May each year. All qualified District residents are eligible to participate.

Pursuant to Chapter 97 of the Laws of 2011 (“Chapter 97”), beginning with the 2012 – 2013 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% or the rate of inflation (the “School District Tax Cap”), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the School District Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the School District to exceed the School District Tax Cap must receive at least 60% voter approval.

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the third Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

If the resubmitted and/or revised budget is not approved by the required margin, the Board of Education must adopt a budget that requires a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy). For a complete discussion of Chapter 97, see “TAX LEVY LIMITATION LAW” herein.

Recent Budget Vote Results

The budget for the 2022-23 fiscal year was approved by qualified voters on May 17, 2022 by a vote of 262 yes to 112 no. The adopted budget for the 2022-23 fiscal year included a total tax levy increase of 3.15%, which was equal to the District’s Tax Cap of 3.15% for the 2022-23 fiscal year.

The budget for the 2023-24 fiscal year was approved by qualified voters on May 16, 2023 by a vote of 433 yes to 193 no. The adopted budget for the 2023-24 fiscal year included a total tax levy increase of 5.33%, which was equal to the District’s Tax Cap of 5.33% for the 2023-24 fiscal year.

Investment Policy

Pursuant to the statutes of the State of New York, the District is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and Bond Anticipation Notes issued by any New York municipality or district corporation, other than the District; (6) obligations of a New York public corporation which are made lawful investments by the District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of District moneys held in certain reserve funds established pursuant to law, obligations issued by the District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either, a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the District’s current policy to invest in: (1) Savings Accounts, Now Accounts or Money Market Accounts of designated banks, (2) Certificates of Deposit issued by a bank or trust company located and authorized to do business in New York State, (3) Demand Deposit Accounts in a bank or trust company authorized to do business in New York State, (4) Obligations of New York State, (5) Obligations of the United States Government (U.S. Treasury Bills and Notes), (6) Repurchase Agreements involving the purchase and sale of direct obligations of the United States. The District is not authorized to invest in reverse repurchase agreements or similar derivative type investments.

State Aid

The District receives financial assistance from the State. In its adopted budget for the 2023-2024 fiscal year, approximately 60.41% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

In addition to the amount of State aid budgeted annually by the District, the State makes payments of STAR aid representing tax savings provided by school districts to their taxpayers under the STAR Program.

The State is not constitutionally obligated to maintain or continue State aid to the District. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which could eliminate or substantially reduce State aid could have a material adverse effect upon the District, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. (See “MARKET AND RISK FACTORS” herein.)

There can be no assurance that the State appropriation for building aid and other State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid, including building aid appropriated and apportioned to the District, can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget or their elimination therefrom.

There can be no assurance that the State’s financial position will not change materially and adversely from current projections. If this were to occur, the State would be required to take additional gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. Reductions in the payment of State aid could adversely affect the financial condition of school districts in the State.

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 and 2021 to 2023 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State’s 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in adoption of the State budget, which is due at the start of the State’s fiscal year of April 1. Since the 2010-11 State fiscal year, the State budget has been generally adopted on or before April 1, with the exception of the 2016-17 State budget which was not adopted until April 9, 2017 and the State’s 2023-24 Budget which was not adopted until May 3, 2023. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

Should the District fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies or by a mid-year reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

Federal Aid Received by the State

The State receives a substantial amount of federal aid for other health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the COVID-19 outbreak.

Reductions in Federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the administration and Congress, the State budget may be adversely affected by other actions taken by the Federal government, including audits, disallowances, and changes to Federal participation rates or other Medicaid rules.

Building Aid

A portion of the District’s State aid consists of building aid which is related to outstanding indebtedness for capital project purposes. In order to receive building aid, the District must have building plans and specifications approved by the Facilities Planning Unit of the State Education Department. A maximum construction and incidental cost allowance is computed for each building project that takes into account a pupil construction cost allowance and assigned pupil capacity. For each project financed with debt obligations, a bond percentage is computed. The bond percentage is derived from the ratio of total approved cost allowances to the total principal borrowed. Approved cost allowances are estimated until a project final cost report is completed.

Building Aid is paid over fifteen years for reconstruction work, twenty years for building additions, or thirty years for new building construction. Building Aid for a specific building project is eligible to begin eighteen months after State Commissioner of Education approval date, for that project, and is paid over the previously described timeframe, assuming all necessary building aid forms are filed with the State in a timely manner. The building aid received is equal to the assumed debt service for that project, which factors in the bond percent, times the building aid ratio that is assigned to the District, and amortized over the predefined timeframe. The building aid ratio is calculated based on a formula that involves the full valuation per pupil in the District compared to a State-wide average.

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2024-2025 preliminary building aid ratios, the District State Building aid of approximately 88.7% for debt service on State Education Department approved expenditures from July 1, 2004 to the present.

The State building aid ratio is calculated each year based upon a formula which reflects Resident Weighted Average Daily Attendance (RWADA) and the full value per pupil compared with the State average. Consequently, the estimated aid will vary over the life of each issue. State building aid is further dependent upon the continued apportionment of funds by the State Legislature.

State Aid History

State aid to school districts within the State has declined in some recent years before increasing again in more recent years.

School district fiscal year (2019-2020): The State 2019-2020 Enacted Budget included a total of \$27.69 billion for School Aid, a year-to-year funding increase of \$956 million or 3.6 percent and will provide additional funding for Foundation Aid of \$338.0 million and \$409.65 million in reimbursements for expense-based aids. In addition, the 2019-2020 Enacted Budget increases the Community Schools set-aside funding amount by \$49.99 million to a total of \$250.0 million. This increased funding is targeted to districts with failing schools and/or districts experiencing significant growth in English language learners. The State 2019-2020 Enacted Budget increases the minimum community schools funding amount from \$75,000 to \$100,000. This ensures all high-need districts across the State can apply the funds to a wide-range of activities.

School district fiscal year (2020-2021): Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget was 3.7 percent lower than in the State's 2019-2020 Enacted Budget but was offset in part with increased Federal support. This reduction in State Operating Funds support was offset by approximately \$1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these Federal funds, State aid in the school district fiscal year 2020-2021 was \$27.9 billion, an annual increase of approximately \$100 million or 0.4 percent. The State's 2020-2021 Enacted Budget continued prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provided over \$200 million in support for competitive grant programs, including \$1 million for development of a new Civics Education curriculum and \$10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid was continued under existing aid formulas. Out-year growth in School Aid reflects current projections of the ten-year average growth in State personal income. The State's 2020-2021 Enacted Budget authorized the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. Pursuant to that provision, in October, 2020, the State announced that, in the absence of Federal funding to offset such lost revenue, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. However, the 2020-2021 State aid declines were offset, in part, by \$1.1 billion of increased federal funding through the Coronavirus Aid, Relief, and Economic Security Act. With these federal funds, State aid totaled \$27.9 billion in the State's 2020-2021 Enacted Budget, an annual increase of approximately \$100 million or 0.4 percent from the 2019-2020 Enacted Budget. As of February 1, 2021, the State Education Department ("SED") advised school districts that the State Division of the Budget would, at some point, provide approval for SED to make the payments to school districts for State aid and other Pre-K-12 grant programs that had been subject to the above-referenced 20% withholding.

School district fiscal year (2021-2022): The State's 2021-22 Budget includes \$29.5 billion in state aid to school districts, and significantly increased funding for schools and local governments, including a \$1.4 billion increase in Foundation Aid and a three-year phase-in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget includes the use of \$13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which includes, in part, the allocation of \$629 million to school districts as targeted grants in an effort to address learning loss as a result of the loss of enrichment and after-school activities. In addition, \$105 million of federal funds are to be allocated to expand full-day kindergarten programs. Under the budget, school districts are to be reimbursed for the cost of delivering school meals and instructional materials in connection with COVID-19-related school closures in spring 2020, along with the costs of keeping transportation employees and contractors on stand-by during the short-term school closures prior to the announcement of the closure of schools for the remainder of the 2019-20 year.

School district fiscal year (2022-2023): The State's 2022-23 Enacted Budget provides \$31.5 billion in State funding to school districts for the 2022-23 school year, the highest level of State aid ever. This represents an increase of \$2.1 billion or 7.2 percent compared to the 2021-22 school year, and includes a \$1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-23 Enacted Budget also programs \$14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, is designed to assist public schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2022-23 Enacted Budget allocates \$100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State's 2022-23 Enacted Budget increases federal funds by \$125 million to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2022-23 school year.

School District fiscal year (2023-2024): The State's 2023-24 Enacted Budget includes \$34.5 billion for school aid, an increase of \$3.1 billion or 10%, which is the highest level of State aid to date. The State's 2023-24 Budget also provides a \$2.6 billion increase in Foundation Aid, fully funding the program for the first time in history. The State's 2023-24 Enacted Budget provides \$134 million to increase access to free school meals. An additional \$20 million in grant funding will establish new Early College High School and Pathways in Technology Early College High School Programs. An investment of \$10 million over two years in competitive funding for school districts, boards of cooperative educational services, and community colleges will be made to promote job readiness. An additional \$150 million will be used to expand high-quality full-day prekindergarten, resulting in universal prekindergarten to be phased into 95% of the State.

State Aid Litigation

In January 2001, the State Supreme Court issued a decision in *Campaign for Fiscal Equity v. New York* mandating that the system of apportionment of State aid to school districts within the State be restructured by the Governor and the State Legislature. On June 25, 2002, the Appellate Division of the State Supreme Court reversed that decision. On June 26, 2003, the State Court of Appeals, the highest court in the State, reversed the Appellate Division, holding that the State must, by July 30, 2004, ascertain the actual cost of providing a sound basic education, enact reforms to the system of school funding and ensure a system of accountability for such reforms. The Court of Appeals further modified the decision of the Appellate Division by deciding against a Statewide remedy and instead limited its ruling solely to the New York City school system.

After further litigation, on appeal in 2006, the Court of Appeals held that \$1.93 billion of additional funds for the New York City schools – as initially proposed by the Governor and presented to the Legislature as an amount sufficient to provide a sound basic education – was reasonably determined. State legislative reforms in the wake of The Campaign for Fiscal Equity decision included increased accountability for expenditure of State funds and collapsing over 30 categories of school aid for school districts in the State into one classroom operating formula referred to as foundation aid. The stated purpose of foundation aid is to prioritize funding distribution based upon student need. As a result of the Court of Appeals ruling schools were to receive \$5.5 billion increase in foundation aid over a four fiscal year phase-in covering 2007 to 2011. (See both “*School district fiscal year (2022-2023)*” and the following paragraphs herein.)

A case related to the *Campaign for Fiscal Equity, Inc. v. State of New York* was heard on appeal on May 30, 2017 in *New Yorkers for Students' Educational Rights v. State of New York* (“NYSER”) and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the *Campaign for Fiscal Equity* case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs' causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a “sound basic education” as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the *Campaign for Fiscal Equity* case that absent “gross education inadequacies”, claims regarding state funding for a “sound basic education” must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021 Governor Kathy Hochul announced that New York State has reached an agreement to settle and discontinue the *New Yorkers for Students' Educational Rights v. New York State* case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years and ending the State's prior opposition to providing this much-needed funding to our students. The litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the historic *Campaign for Fiscal Equity* cases, and had been previously opposed by the State. Foundation Aid was created in 2007, and takes school district wealth and student need into account to create an equitable distribution of state funding to schools. However, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 budget and enshrined this commitment into law. A breakdown of currently anticipated Foundation Aid funding is available below:

- FY 2022: \$19.8 billion, covering 30% of the existing shortfall
- FY 2023: Approximately \$21.3 billion, covering 50% of the anticipated shortfall
- FY 2024: Approximately \$23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school districts

State Aid Revenues

The following table illustrates the percentage of total revenues of the District for the below fiscal years comprised of State aid.

<u>Fiscal Year</u>	<u>Total State Aid</u>	<u>Total Revenues</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2018-2019	\$ 22,278,344	\$ 39,980,375	55.72%
2019-2020	22,694,168	40,817,444	55.60
2020-2021	23,394,582	42,106,972	55.56
2021-2022	23,723,215	43,036,686	55.12
2022-2023	26,001,936	45,205,847	57.52
2023-2024 (Budgeted)	29,923,774	50,305,771	59.48

Source: Audited Financial Statements for the 2018-19 through 2022-23 fiscal years and budgeted figures for the 2023-24 fiscal year. This table is not audited.

District Facilities

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built/Additions</u>
Windsor High School	9-12	1,600	1974, '01
Windsor Middle/Palmer Elementary	PK-8	850	1933, '52, '64
Floyd L. Bell Elementary	PK-5	730	1957, '69
C.R. Weeks Elementary	PK-5	760	1959, '63, '69

Source: District officials.

Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2019-2020	1,661	2024-2025	1,675
2020-2021	1,633	2025-2026	1,650
2021-2022	1,680	2026-2027	1,650
2022-2023	1,634	2027-2028	1,650
2023-2024	1,632	2028-2029	1,650

Source: District officials.

Employees

The District employs a total of 316 full-time and 16 part-time employees with representation by the various bargaining units listed below:

<u>Number of Employees</u>	<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
170	Windsor Teachers' Association	June 30, 2026
89	Windsor School Related Professionals	June 30, 2026
53	Windsor Custodial and Transportation Staff	June 30, 2026
9	Windsor Administrators' Association	June 30, 2026
6	Unrepresented Support Staff	N/A
3	Windsor District Office Administrators Association	June 30, 2026
2	Unrepresented Administrators	N/A

Source: District officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the District are members of either the New York State and Local Employees' Retirement System ("ERS") (for non-teaching and non-certified administrative employees) or the New York State Teachers' Retirement System ("TRS") (for teachers and certified administrators). (Both Systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally had vested after ten years of credited service; however, this was changed to five years as of April 9, 2022. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members working less than ten years must contribute 3% (ERS) or 3.5% (TRS) of gross annual salary towards the cost of retirement programs.

On December 12, 2009, a new Tier V was signed into law. The legislation created a new Tier V pension level, the most significant reform of the State's pension system in more than a quarter-century. Key components of Tier V include:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring ERS employees to continue contributing 3% of their salaries and TRS employees to continue contributing 3.5% toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years, which has since been changed to 5 years as of April 9, 2022.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police and firefighters at 15% of non-overtime wages.

On March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Tier VI employees would vest in the system after ten years of employment; and employees will continue to make employee contribution throughout employment. As of April 9, 2022, vesting requirements were modified, resulting in employees becoming vested after five years.

The District is required to contribute at an actuarially determined rate. The contributions for the last five years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2018-2019	\$ 389,301	\$ 1,373,986
2019-2020	405,418	1,179,166
2020-2021	401,743	1,311,984
2021-2022	375,000	1,240,383
2022-2023	364,046	1,376,456
2023-2024 (Budgeted)	427,484	1,396,415

Source: District officials.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The District currently does not have early retirement incentive programs for its employees.

Historical Trends and Contribution Rates. Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees' and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS and TRS rates as a percent of payroll (2020-21 to 2024-25) is shown below:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2020-21	14.6%	9.53%
2021-22	16.2	9.80
2022-23	11.6	10.29
2023-24	13.1	9.76
2024-25	15.2	10.02 ⁽¹⁾

⁽¹⁾ Estimated.

In 2003, Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and the Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program for ERS. The reform program established a minimum contribution for any local governmental employer equal to 4.5% of pensionable salaries for bills which were due December 15, 2003 and for all fiscal years thereafter, as a minimum annual contribution where the actual rate would otherwise be 4.5% or less due to the investment performance of the fund. In addition, the reform program instituted a billing system to match the budget cycle of municipalities and school districts that will advise such employers over one year in advance concerning actual pension contribution rates for the next annual billing cycle. Under the previous method, the requisite ERS contributions for a fiscal year could not be determined until after the local budget adoption process was complete. Under the new system, a contribution for a given fiscal year is based on the valuation of the pension fund on the prior April 1 of the calendar year preceding the contribution due date instead of the following April 1 in the year of contribution so that the exact amount may now be included in a budget.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a “graded” rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by the State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year’s amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer’s graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

The District is not amortizing any pension payments, nor does it intend to do so in the foreseeable future.

Stable Rate Pension Contribution Option. The 2013-14 State Budget included a provision that provides local governments and school districts, including the District, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS. The stable rates would be 12% for ERS and 14% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but will require higher than normal contributions in later years.

The District did not participate in the Stable Rate Pension Contribution Option, nor does it intend to do so in the foreseeable future.

The investment of monies, and assumptions underlying same, of the Retirement Systems covering the District’s employees is not subject to the direction of the District. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems (“UAALs”). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the District which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

The State’s 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding

fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District has established a TRS reserve fund.

Other Post-Employment Benefits

Healthcare Benefits. It should also be noted that the District provides employment healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that requires governmental entities, such as the District, to account for employment healthcare benefits as it accounts for vested pension benefits.

School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing health benefits received by or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

OPEB. OPEB refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

GASB 75. In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits ("OPEB") plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. For the fiscal year ended June 30, 2018, the District implemented GASB 75. The implementation of this statement requires District's to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45 districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires districts to report the entire OPEB liability on the statement of net position.

The District contracted with Questar III BOCES, to calculate its actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability during the below fiscal years, by source.

	Balance beginning at July 1:	2021	2022
		\$ 51,229,414	\$ 43,199,532
<u>Changes for the year:</u>			
Service cost		2,270,260	1,536,491
Interest		1,141,006	1,555,125
Differences between expected and actual experience		-	-
Changes in benefit terms		-	-
Effect of demographic gains or losses		-	3,273,505
Changes in assumptions or other inputs		(10,083,205)	4,110,450
Benefit payments		(1,357,943)	(1,626,032)
Net Changes		\$ (8,029,882)	\$ 8,849,539
	Balance ending at June 30:	2022	2023
		\$ 43,199,532	\$ 52,049,071

Note: The above table is not audited. For additional information see "APPENDIX – E" attached hereto.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The District has reserved \$0 towards its OPEB liability. The District funds this liability on a pay-as-you-go basis.

The District's unfunded actuarial accrued OPEB liability could have a material adverse impact upon the District's finances and could force the District to reduce services, raise taxes or both.

Actuarial valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are fewer than 200 members.

Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose, for which the Notes are to be issued is the Education Law and the Local Finance Law.

The District has complied with the procedure for the publication of the estoppel notice with respect to the Notes, as provided in Title 6 of Article 2 of the Local Finance Law.

No principal or interest upon any obligation of the District is past due.

The fiscal year of the District is July 1 to June 30.

Except for as shown under “STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness”, this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the District.

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2023 and is attached hereto as “APPENDIX – E”. Certain financial information of the District can be found attached as Appendices to the Official Statement.

The District complies with the Uniform System of Accounts as prescribed for school districts in New York State by the State. This system differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

Beginning with the fiscal year ending June 30, 2003, the District issues its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management's Discussion and Analysis.

New York State Comptroller Reports of Examination

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the District has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

The State Comptroller's office released its most recent audit report of the District on November 23, 2022. The purpose of the audit was to determine whether the District officials established adequate internal controls over fuel credit card purchasers and fuel inventory to help ensure fuel was used for District purposes and properly accounted for during the period July 1, 2020 through April 30, 2022. Key findings and recommendations of the audit report are summarized below.

Key Findings

District officials did not have adequate internal controls over fuel credit card purchases and fuel inventory, such as written policies and procedures. As a result, 18,369 gallons of fuel costing approximately \$38,300 are not accounted for.

- Employees used District credit cards to purchase fuel, but records were not always maintained to report who used the credit cards or what District vehicle or equipment was fueled.
- Officials did not confirm the District received the fuel it purchased when it was delivered.
- Officials did not establish adequate controls to safeguard diesel fuel stored in the District's 10,000-gallon storage tank.

Key Recommendations

- Develop and adopt written policies and procedures for fuel usage.
- Reconcile fuel inventories and purchases and secure fuel credit cards and diesel fuel tank.

The District provided a response on November 17, 2022. A copy of the complete report can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

There are no other State Comptroller's audits of the District published within the past five years, nor are there any that are currently in progress or pending release.

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of the accuracy of the information therein, nor incorporation herein by reference.

The State Comptroller's Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "Significant Fiscal Stress", in "Moderate Fiscal Stress," as "Susceptible Fiscal Stress" or "No Designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "No Designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The reports of the State Comptroller for the below fiscal years of the District are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2023	No Designation	13.3
2022	No Designation	13.3
2021	No Designation	20.0

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of the accuracy of the information therein, nor incorporation herein by reference.

TAX INFORMATION

Taxable Assessed Valuations

<u>Fiscal Year Ending June 30:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Towns of:					
Colesville	\$ 1,736,828	\$ 1,772,361	\$ 1,773,114	\$ 1,791,357	\$ 1,784,663
Kirkwood	205,082,923	207,053,231	210,354,700	225,201,341	241,125,850
Sanford	14,300,988	14,261,786	14,385,119	14,378,271	14,417,691
Windsor	274,352,289	276,744,176	276,217,108	278,522,441	279,365,691
Total Assessed Values	<u>\$ 495,473,028</u>	<u>\$ 499,831,554</u>	<u>\$ 502,730,041</u>	<u>\$ 519,893,410</u>	<u>\$ 536,693,895</u>
State Equalization Rates					
Towns of:					
Colesville	7.55%	7.65%	7.60%	6.90%	6.00%
Kirkwood	71.00%	66.25%	63.00%	60.50%	61.00%
Sanford	56.50%	56.00%	56.00%	52.00%	46.00%
Windsor	67.60%	67.30%	63.00%	59.00%	52.00%
Total Taxable Full Valuation	<u>\$ 743,011,596</u>	<u>\$ 772,378,543</u>	<u>\$ 821,354,363</u>	<u>\$ 897,917,772</u>	<u>\$ 993,617,182</u>

Source: District officials.

Tax Rate Per \$1,000 (Assessed)

<u>Fiscal Year Ending June 30:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Towns of:					
Colesville	\$ 276.75	\$ 266.04	\$ 256.45	\$ 266.52	\$ 291.74
Kirkwood	29.42	30.72	30.94	30.40	28.70
Sanford	36.98	36.34	34.80	35.37	38.05
Windsor	30.91	30.24	30.94	31.17	33.66

Source: District officials.

Tax Collection Procedure

Tax payments are due September 5th. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 5th to October 31st. On November 15th, uncollected taxes are returnable to the County of Broome for collection. The District receives this amount of uncollected taxes from said County prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually.

Tax Levy and Tax Collection Record

<u>Fiscal Year Ending June 30:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Total Tax Levy	\$ 15,524,857	\$ 15,719,708	\$ 16,008,579	\$ 16,512,665	\$ 17,392,622
Amount Uncollected ⁽¹⁾	1,050,146	860,754	832,779	795,181	920,530
% Uncollected	6.76%	5.48%	5.20%	4.82%	5.29%

⁽¹⁾ The District receives 100% of its tax levy each year. See "Tax Collection Procedures" herein.

Source: District officials.

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for the below fiscal years comprised of Real Property Taxes.

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total Real Property Taxes & Tax Items</u>	<u>Percentage of Total Revenues Consisting Real Property Tax</u>
2018-2019	\$ 39,980,375	\$ 15,463,290	38.68%
2019-2020	40,817,444	16,361,344	40.08
2020-2021	42,106,972	16,361,641	38.86
2021-2022	43,036,686	16,584,039	38.53
2022-2023	45,205,847	17,080,205	37.78
2023-2024 (Budgeted)	50,305,771	17,962,722	35.71

Source: Audited Financial Statements for the 2018-19 through 2022-23 fiscal years and budgeted figures for the 2023-24 fiscal year. This table is not audited.

Ten Largest Taxpayers – 2023 Assessment Roll for 2023-24 District Tax Roll

<u>Name</u>	<u>Type</u>	<u>Taxable Assessed Valuation</u>
Laser Northeast Gathering	Utility	\$ 52,968,448
42 Binghamton LP	Manufacturing	35,184,800
NYSEG	Utility	22,690,621
Millennium Pipeline ⁽¹⁾⁽²⁾	Utility	20,941,790
HIP NY Development LLC (Formerly Shop Vac)	Manufacturing	18,940,000
Willow Run Foods	Food Distributor	15,971,900
Bluestone Gas Corp.	Utility	7,354,440
Frito Lay, Inc.	Manufacturing	5,390,000
Kirkwood Warehouse Investors, LLC	Public, Commercial Warehouse	4,750,000
Spirit Realty	Real Estate	3,700,000

⁽¹⁾ Millennium Pipeline has filed a Notice of Petition contesting their full value assessment. There is a maximum potential tax liability of \$123,370.52 to the District should they be successful in their claim.

⁽²⁾ Millennium Pipeline has filed official Notices of Petitions contesting the Final Special Franchise Full Values that were determined by the NYS Board of Real Property Services (2010, 2011, 2012, 2013, and 2014). See the following table for specifics:

<u>Fiscal Year Ending</u>	<u>Full Value</u>	<u>Requested Full Value</u>	<u>Potential Adjustment to Full Value</u>
2010	\$ 402,721	\$ 80,000	\$ (322,721)
2011	360,067	80,000	(280,067)
2012	380,057	80,000	(300,057)
2013	399,932	80,000	(319,932)
2014	399,932	80,000	(319,932)
2015	399,932	80,000	(319,932)
2016	399,932	80,000	(319,932)
2017	399,932	80,000	(319,932)
2018	399,932	80,000	(319,932)
2019	399,932	80,000	(319,932)
2020	399,932	80,000	(319,932)
2021	347,586	86,897	(260,689)
2022	347,586	86,897	(260,689)
2023	347,586	86,897	(260,689)
2024	347,586	86,897	(260,689)

The maximum potential liability of all current additional tax certiorari claims, excluding the Millennium claim listed above, is \$290,010.45. Including the Millennium claim listed above, the maximum potential liability of all current additional tax certiorari claims, is \$413,380.96.

The ten larger taxpayers have an estimated assessed valuation of \$187,891,999, which represents 35.01% of the tax base of the District for the 2023-24 fiscal year.

The District has established and funded a Tax Certiorari Reserve. The District anticipates a balance of \$366,628 as of June 30, 2024. The reserve can be drawn upon to safeguard and mitigate the financial impact of settlements of outstanding petitions. The Tax Certiorari Reserve is reviewed and adjusted annually. In addition, the District is authorized by the Local Finance Law to borrow to pay any such settlements.

The District currently does not have any other pending or outstanding tax certioraris that are known or believed to have a material impact on the District.

Source: District officials.

STAR – School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program.

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities (“STAR Adjusted Gross Income”) of \$93,200 or less in 2023-2024 and \$98,700 or less in 2024-2025, increased annually according to a cost of living adjustment, are eligible for a “full value” exemption of the first \$81,400 of the full value of a home for the 2023-2024 school year and the first \$84,000 of the full value of a home for the 2024-2025 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of \$250,000 (\$500,000 in the case of a STAR credit, as discussed below) are eligible for a \$30,000 “full value” exemption on their primary residence.

The 2022-23 Enacted State Budget provided \$2.2 billion in State funding for a new property tax relief credit, the Homeowner Tax Rebate Credit, for eligible low- and middle-income households, as well as eligible senior households. Under this program, basic STAR exemption and credit beneficiaries with incomes below \$250,000 and Enhanced STAR recipients are eligible for the property tax rebate where the benefit is a percentage of the homeowners’ existing STAR benefit.

The below table lists the basic and enhanced exemption amounts for the District tax roll for the municipalities applicable to the District:

<u>Towns of:</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
Colesville	\$ 5,620	\$ 2,070	4/6/2023
Kirkwood	49,250	18,150	4/6/2023
Sanford	42,330	15,600	4/6/2023
Windsor	48,030	17,700	4/6/2023

\$1,737,186 of the District's \$16,512,665 school tax levy for the 2022-23 fiscal year was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2023.

\$1,684,134 of the District's \$17,392,622 school tax levy for 2023-2024 was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January 2024.

Additional Tax Information

Real property located in the District is assessed by the Towns.

Senior citizens' exemptions are offered to those who qualify.

The total valuation of the District is estimated to be categorized as follows: Residential-70%, Commercial-10% and Agricultural-20%.

The estimated total annual District property tax bill of a \$100,000 assessed value residential property located in the District is approximately \$2,034.

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor ("Chapter 97" or the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising New York City and school districts in New York City, Buffalo, Rochester, Syracuse, and Yonkers, the latter four of which are indirectly affected by applicability to their respective City.)

Prior to the enactment of the Tax Levy Limitation Law, there was no statutory limitation on the amount of real property taxes that a school district could levy as part of its budget if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year's budget or one hundred twenty percent (120%) of the consumer price index ("CPI").

Chapter 97 requires that a school district submit its proposed tax levy to the voters each year beginning with the 2012-2013 fiscal year.

Chapter 97 restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. It was set to expire on June 15, 2020; however, it has since been made permanent. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district can exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

A school district's calculation of each fiscal year's tax levy limit is subject to review by the Commissioner of Education and the Commissioner of Taxation and Finance prior to adoption of each fiscal year budget.

There are exceptions for school districts to the tax levy limitation provided in Chapter 97, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System and the Teachers' Retirement System. School districts are also permitted to carry forward a certain portion of their unused levy limitation from a prior year.

There is also an exception for school districts for “Capital Local Expenditures” subject to voter approval where required by law. This term is defined in a manner that does not include certain items for which a school district may issue debt, including the payment of judgments or settled claims, including tax certiorari payments, and cashflow borrowings, including tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes. “Capital Local Expenditures”, are defined as “the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law”. The portion of the tax levy necessary to support “Capital Local Expenditures” is defined as the “Capital Tax Levy”, and is an exclusion from the tax levy limitation, applicable to the Notes.

See “State Aid” for a discussion of the *New Yorkers for Students’ Educational Rights v. State of New York* case which included a challenge to the supermajority requirements regarding school district property tax increases.

Reductions in federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the federal administration and Congress, the State budget may be adversely affected by other actions taken by the federal government, including audits, disallowances, and changes to federal participation rates or other Medicaid rules.

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution and Local Finance Law limit the power of the School District (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional and statutory limitations in summary form, and as generally applicable to the School District and the Notes, include the following:

Purpose and Pledge. The School District shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The School District may contract indebtedness only for a school district purpose and shall pledge its faith and credit for the payment of the principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute. The School District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its Notes.

Statutory Procedure

In general, the State Legislature has, by the enactment of the Local Finance Law, authorized the powers and procedure for the School District to borrow and incur indebtedness subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including the Education Law.

Debt Limit. The School District has the power to contract indebtedness for any school district purpose authorized by the legislature of the State of New York provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the School District and subject to certain enumerated deductions and exclusions set forth in the Local Finance Law. The constitutional method for determining average full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization ratio) which such assessed valuation bears to the full valuation; such ratio is determined by the State Office of Real Property Services.

The School District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of the bonds. No down payment is required in connection with the issuance of District obligations.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

- (1) Such obligations are authorized for a purpose for which the School District is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations and an action contesting such validity, is commenced within twenty days after the date of such publication, or
- (3) Such obligations are authorized in violation of the provisions of the Constitution.

The District has complied with this estoppel procedure in connection with the Notes.

The Board of Education, as the finance board of the School District, has the power to enact bond resolutions. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may delegate the power to sell the obligations to the President of the Board of Education, the chief fiscal officer of the School District, pursuant to the Local Finance Law.

The School District is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness; however, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the School District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending June 30th:</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Bonds	\$ 19,970,000	\$ 18,015,000	\$ 15,985,000	\$ 21,970,000	\$ 22,590,000
Bond Anticipation Notes	<u>2,277,578</u>	<u>11,822,062</u>	<u>10,811,146</u>	<u>5,080,630</u>	<u>5,717,914</u>
Total Debt Outstanding	<u>\$ 22,247,578</u>	<u>\$ 29,837,062</u>	<u>\$ 26,796,146</u>	<u>\$ 27,050,630</u>	<u>\$ 28,307,914</u>

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District as of April 11, 2024.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2024-2038	\$ 22,590,000
<u>Bond Anticipation Notes</u>		
Capital Improvements	July 28, 2023	14,514,000
Purchase of Buses	May 3, 2024	<u>1,217,914</u> ⁽¹⁾
	Total Indebtedness	<u>\$ 38,321,914</u>

- ⁽¹⁾ To be redeemed and partially renewed at maturity with available funds of the District and a portion of the proceeds of the Notes.

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Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of April 11, 2024:

Full Valuation of Taxable Real Property	\$ 993,617,182
Debt Limit – 10% thereof	99,361,718

Inclusions:

Bonds.....	\$ 22,590,000	
Bond Anticipation Notes	14,514,000	
Principal of this Issue	<u>1,330,000</u>	
Total Inclusions		<u>\$ 38,434,000</u>

Exclusions:

State Building Aid ⁽¹⁾	<u>\$ 0</u>	
Total Exclusions		<u>\$ 0</u>

Total Net Indebtedness \$ 38,434,000

Net Debt-Contracting Margin \$ 60,927,718

The percent of debt contracting power exhausted is 38.68%

- ⁽¹⁾ Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing bonded debt. Since the gross indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building Aid Estimate. Over the years the building aid ratio has been adjusted based on State legislative changes with an effective date tied to voter authorization dates. Based on preliminary 2024-25 Preliminary Building Aid Ratios, the School District anticipates State building aid of 88.7% for debt service on SED approved expenditures from July 1, 2004 to the present. The School District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the School District will receive in relation to its capital project indebtedness.

Notes: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the net indebtedness of the District.

Bonded Debt Service

A schedule of bonded debt service may be found in “APPENDIX – B” to this Official Statement.

Capital Project Plans

The District typically issues bond anticipation notes annually for the purchase of buses and other transportation vehicles, pursuant to various authorizations of the District. The proceeds of the Notes, along with available funds of the District, will redeem and partially renew the bond anticipation notes of the District currently outstanding for this purpose.

On December 14, 2021, the District authorized a capital improvements project in the amount of \$27,500,000, with \$24,760,000 authorized to be financed through the issuance of serial bonds, and the remainder anticipated to be funded through the use of capital reserve funds. The issuance of \$4,500,000 bond anticipation notes on July 28, 2022 represented the first issuance pursuant to this authorization. The proceeds of \$14,514,000 bond anticipation notes issued on July 27, 2023, along with \$246,000 available funds of the District, redeemed and renewed the bond anticipation notes that matured on July 28, 2023 and provided \$10,260,000 in new monies for this purpose.

Cash Flow Borrowings

The District has not issued revenue or tax anticipation notes nor budget or deficiency notes within the past five fiscal years, and does not expect to issue them in the foreseeable future.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue obligations and to levy taxes or cause taxes to be levied on taxable real property in the District. Estimated bonds and bond anticipation notes are listed as of the respective municipalities.

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> ⁽¹⁾	<u>Exclusions</u> ⁽²⁾	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Applicable Indebtedness</u>
County of:						
Broome	6/28/2023	\$ 128,880,601	\$ -	\$ 128,880,601	7.76%	\$ 10,001,135
Town of:						
Colesville	12/31/2022	-	- ⁽³⁾	-	8.51%	-
Kirkwood	12/31/2022	1,644,418	- ⁽³⁾	1,644,418	76.40%	1,256,335
Sanford	12/31/2022	615,000	- ⁽³⁾	615,000	8.26%	50,799
Windsor	3/1/2024	6,855,236	-	6,855,236	99.57%	6,825,758
Village of:						
Windsor	5/31/2023	-	- ⁽³⁾	-	100.00%	-
Total:						<u>\$ 18,134,027</u>

⁽¹⁾ Indebtedness is as of the close of the respective fiscal years, except for as follows, and is not adjusted to include subsequent issuances, if any, from the date of the information provided. Information for the County of Broome was sourced from its Annual Financial and Operating Data Filing dated June 28, 2023 on EMMA. Information for the Town of Windsor was sourced from its Official Statement dated March 14, 2024 on EMMA.

⁽²⁾ Water and sewer debt and appropriations. Pursuant to the Local Finance Law, this indebtedness is excluded from the constitutional debt limit. Information for the County of Broome was sourced from its Annual Financial and Operating Data Filing dated June 28, 2023 on EMMA. Information for the Town of Windsor was sourced from its Official Statement dated March 14, 2024 on EMMA.

⁽³⁾ Information not available.

Source: Comptroller's Special Report on Municipal Affairs for Local Finance Years Ended in 2022 and 2023 and additional materials as noted above.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of April 11, 2024:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 38,434,000	\$ 3,829.23	3.87%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	56,568,027	5,635.95	5.69

^(a) The 2022 estimated population of the District is 10,037. (See "THE SCHOOL DISTRICT – Population" herein.)

^(b) The District's full value of taxable real estate for the 2023-24 fiscal year is \$993,617,182. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

^(c) See "Debt Statement Summary" herein for the calculation of Net Direct Indebtedness.

^(d) Estimated net overlapping indebtedness is \$18,134,027. (See "Estimated Overlapping Indebtedness" herein.)

Note: The above ratios do not take into account State building aid the District will receive for past and current construction building projects.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

State Aid Intercept for School Districts. In the event of a default in the payment of the principal of and/or interest on the Notes, 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 Notes. The covenant between the State of New York and the purchasers and the holders and owners from time to time of the notes and bonds issued by the school districts in the State for school purposes provides that it will not repeal, revoke or rescind the provisions of Section 99-b, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

Said section provides that in the event a holder or owner of any bond issued by a school district for school purposes shall file with the State Comptroller a verified statement describing such bond and alleging default in the payment thereof or the interest thereon or both, it shall be the duty of the State Comptroller to immediately investigate the circumstances of the alleged default and prepare and file in his office a certificate setting forth his determinations with respect thereto and to serve a copy thereof by registered mail upon the chief fiscal officer of the school district which issued the bond. Such investigation by the State Comptroller shall cover the current status with respect to the payment of principal of and interest on all outstanding bonds of such school district issued for school purposes and the statement prepared and filed by the State Comptroller shall set forth a description of all such bonds of the school district found to be in default and the amount of principal and interest thereon past due.

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such State aid or assistance due to such school district such amount thereof as may be required to pay (a) the school district's contribution to the State teachers retirement system, and (b) the principal of and interest on such bonds of such school district then in default. In the event such State aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such State aid or assistance due such school district such amount or amounts thereof as may be required to cure such default. Allotments, apportionments and payments of such State aid so deducted or withheld by the State Comptroller for the payment of principal and interest on bonds shall be forwarded promptly to the paying agent or agents for the bonds in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds. If any of such successive allotments, apportionments or payments of such State Aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds in default with respect to which the same was so deducted or withheld, then the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds pursuant to said Section 99-b.

General Municipal Law Contract Creditors' Provision. Each Note when duly issued and paid for will constitute a contract between the District and the holder thereof. Under current law, provision is made for contract creditors of the District to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the District upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of and interest on the Notes.

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the District may not be enforced by levy and execution against property owned by the District.

Authority to File for Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not be made so applicable in the future.

Constitutional Non-Appropriation Provision. There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service, but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See "General Municipal Law Contract Creditors' Provision" herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

Default Litigation. In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

No Past Due Debt. No principal of or interest on District indebtedness is past due. The District has never defaulted in the payment of the principal of and interest on any indebtedness.

MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Notes. The following is a discussion of certain events that could affect the risk of investing in the Notes. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential risk.

The financial condition of the District as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the District's control. There can be no assurance that adverse events in the State or in other jurisdictions in the country, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the District to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The District relies in part on State aid to fund its operations. There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget, the State's ability to borrow funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the District, in any year, the impact to the State's economy and financial condition due to the novel coronavirus ("COVID-19") outbreak and other circumstances, including State fiscal stress. In several recent years, the District has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. Should the District fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid. (See also "THE SCHOOL DISTRICT - State Aid").

The enactment of the Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the District could have an impact upon the market price of the Notes. See "TAX LEVY LIMITATION LAW" herein.

Future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent the beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. No assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of the Notes, or the tax status of interest on the Notes. See "TAX MATTERS" herein.

Cybersecurity. The District, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the District will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in “APPENDIX – D”.

To the extent the issue price of any maturity of the Notes is less than the amount to be paid at maturity of such Notes (excluding amounts stated to be interest and payable at least annually over the term of such Notes), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Notes which is excluded from gross income for federal income tax purposes and exempt from State of New York personal income taxes. For this purpose, the issue price of a particular maturity of the Notes is the first price at which a substantial amount of such maturity of the Notes is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Notes accrues daily over the term to maturity of such Notes on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Notes to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Notes. Owners of the Notes should consult their own tax advisors with respect to the tax consequences of ownership of Notes with original issue discount, including the treatment of owners who do not purchase such Notes in the original offering to the public at the first price at which a substantial amount of such Notes is sold to the public.

Notes purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Notes”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Notes, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and an owner’s basis in a Premium Note, will be reduced by the amount of amortizable bond premium properly allocable to such owner. Owners of Premium Notes should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Bond Counsel is of the further opinion that the amount treated as interest on the Notes and excluded from gross income will depend upon the taxpayer’s election under Internal Revenue Notice 94-84. Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service (the “IRS”) is studying whether the amount of the stated interest payable at maturity on short-term debt obligations (i.e., debt obligations with a stated fixed rate of interest which mature not more than one year from the date of issue) that is excluded from gross income for federal income tax purposes should be treated (i) as qualified stated interest or (ii) as part of the stated redemption price at maturity of the short-term debt obligation, resulting in treatment as accrued original issue discount (the “original issue discount”). The Notes will be issued as short-term debt obligations. Until the IRS provides further guidance with respect to tax-exempt short-term debt obligations, taxpayers may treat the stated interest payable at maturity either as qualified stated interest or as includable in the stated redemption price at maturity, resulting in original issue discount as interest that is excluded from gross income for federal income tax purposes. However, taxpayers must treat the amount to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Taxpayers should consult their own tax advisors with respect to the tax consequences of ownership of Notes if the taxpayer elects original issue discount treatment.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. The District has covenanted to comply with certain restrictions designed to ensure that interest on the Notes will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Notes being included in gross income for federal income tax purposes possibly from the date of original issuance of the Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Notes.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Notes or the interest thereon if any such change occurs or action is taken or omitted.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes may otherwise affect an owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Notes for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the owners regarding the tax-exempt status of the Notes in the event of an audit examination by the IRS. Under current procedures, owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Notes for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Notes, and may cause the District or the owners to incur significant expense.

Payments on the Notes generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate owner of Notes may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Notes and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Notes. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against an owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel expects to deliver an opinion at the time of issuance of the Notes substantially in the form set forth in "APPENDIX – D" hereto.

LITIGATION

The District is subject to a number of lawsuits in the ordinary conduct of its affairs. The District does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the District.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the District, threatened against or affecting the District to restrain or enjoin the issuance, sale or delivery of the Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the District taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the District.

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the District will enter into an Undertaking to provide Material Event Notices, a description of which is attached hereto as "APPENDIX – C".

Historical Continuing Disclosure Compliance

The District has maintained compliance, in all material respects, within the last five years with all previous undertakings made pursuant to the Rule 15c2-12.

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor"), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the District on matters relating to debt management. The Municipal Advisor is a municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees paid by the District to Fiscal Advisors are partially contingent on a successful closing of the Notes.

CUSIP IDENTIFICATION NUMBERS

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the District provided; however, the District assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

RATINGS

The Notes are not rated. The purchaser(s) of the Notes may choose to request that a rating be assigned after the sale pending the approval of the District and applicable rating agency, and at the expense of the purchaser(s), including any rating agency and other fees to be incurred by the District, as such rating action may result in a material event notice to be posted to EMMA and/or the provision of a Supplement to the final Official Statement.

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned its underlying rating of "A+" with a stable outlook to the District's outstanding bonds. The rating reflects only the view of S&P, and any desired explanation of the significance of such rating should be obtained from S&P, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 438-2118.

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the outstanding bonds may have an adverse effect on the market price of the Notes.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Notes.

Statements in this Official Statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the District management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District's files with the repositories. When used in District documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Notes.

Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel to the District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Notes, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Notes, the District will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the District.

The Official Statement is submitted only in connection with the sale of the Notes by the District and may not be reproduced or used in whole or in part for any other purpose.

The District hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at www.fiscaladvisors.com. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Fiscal Advisors & Marketing, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the District nor Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, Inc. and the District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Fiscal Advisors & Marketing, Inc. and the District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The District's contact information is as follows: Andrew Fiorentino, Assistant Superintendent for Business & Administrative Services, Windsor Central School District, Administration Offices, 119 NY Route 79, Windsor, New York 13856, Phone: (607) 655-8215, Fax: (607) 655-3553, Email: afiorentino@windsor-csd.org.

Additional information and copies of the Notice of Sale and the Official Statement may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., Phone: (315) 752-0051, or at www.fiscaladvisors.com.

WINDSOR CENTRAL SCHOOL DISTRICT

Dated: April 11, 2024

PETER NOWACKI
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>ASSETS</u>					
Unrestricted Cash	\$ 1,579,502	\$ 516,551	\$ 628,685	\$ 1,405,102	\$ 1,746,423
Restricted Cash	2,955,136	3,181,273	6,997,585	5,495,095	5,790,898
State and Federal Aid Receivable	643,683	551,733	1,479,927	713,048	686,945
Other Receivables	429,356	325,315	177,004	300,617	225,890
Due from Other Funds	286,975	2,331,895	1,022,241	1,344,847	1,339,895
Due from Other Governments	1,534,380	1,364,233	1,386,351	1,191,160	1,610,489
Due from Fiduciary Funds	2,158	461,980	-	-	-
Deferred Expenditures	-	-	415	-	-
Other	-	-	-	-	-
TOTAL ASSETS	<u>\$ 7,431,190</u>	<u>\$ 8,732,980</u>	<u>\$ 11,692,208</u>	<u>\$ 10,449,869</u>	<u>\$ 11,400,540</u>
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 234,840	\$ 239,742	\$ 490,918	\$ 604,663	\$ 675,245
Accrued Liabilities	97,853	116,226	182,145	173,240	274,433
Notes Payable	-	-	-	-	-
Due to Fiduciary Funds	-	66,312	-	-	-
Due to Other Funds	40,490	190,087	73,493	37	42,777
Due to Other Governments	38	99	-	47	136
Due to Teachers' Retirement System	1,516,023	1,302,146	1,376,119	1,482,424	1,686,986
Due to Employees' Retirement System	104,971	111,347	121,980	84,719	110,877
Deferred Revenues	106,133	106,133	187,127	106,661	106,564
Compensated Absences	-	-	-	-	-
TOTAL LIABILITIES	<u>\$ 2,100,348</u>	<u>\$ 2,132,092</u>	<u>\$ 2,431,782</u>	<u>\$ 2,451,791</u>	<u>\$ 2,897,018</u>
<u>FUND EQUITY</u>					
Nonspendable	\$ 134	\$ -	\$ 415	\$ -	\$ -
Restricted	2,955,136	4,181,273	6,997,585	5,495,095	5,790,898
Assigned	805,660	664,970	651,818	710,029	753,517
Unassigned	1,569,912	1,754,645	1,610,608	1,792,954	1,959,107
TOTAL FUND EQUITY	<u>5,330,842</u>	<u>6,600,888</u>	<u>9,260,426</u>	<u>7,998,078</u>	<u>8,503,522</u>
TOTAL LIABILITIES & FUND EQUITY	<u>\$ 7,431,190</u>	<u>\$ 8,732,980</u>	<u>\$ 11,692,208</u>	<u>\$ 10,449,869</u>	<u>\$ 11,400,540</u>

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
REVENUES					
Real Property Taxes	\$ 12,320,977	\$ 12,745,581	\$ 13,564,552	\$ 13,754,536	\$ 14,173,510
Real Property Tax Items	2,730,373	2,717,709	2,796,792	2,607,105	2,410,529
Charges for Services	183,747	245,770	287,955	280,232	372,476
Use of Money & Property	93,237	239,289	124,417	170,640	173,615
Sale of Property and Compensation for Loss	41,121	82,520	16,864	16,970	183,451
Miscellaneous	1,873,896	1,542,755	1,227,501	1,846,861	1,538,112
Revenues from State Sources	21,201,574	22,278,344	22,694,168	23,394,582	23,723,215
Revenues from Federal Sources	50,697	128,407	105,195	36,046	461,778
Total Revenues	<u>\$ 38,495,622</u>	<u>\$ 39,980,375</u>	<u>\$ 40,817,444</u>	<u>\$ 42,106,972</u>	<u>\$ 43,036,686</u>
Other Sources:					
Interfund Transfers	<u>154,434</u>	<u>1,562</u>	<u>6,795</u>	<u>82,679</u>	<u>968</u>
Total Revenues and Other Sources	<u>\$ 38,650,056</u>	<u>\$ 39,981,937</u>	<u>\$ 40,824,239</u>	<u>\$ 42,189,651</u>	<u>\$ 43,037,654</u>
EXPENDITURES					
General Support	\$ 4,197,013	\$ 5,097,225	\$ 4,452,975	\$ 4,238,670	\$ 4,804,673
Instruction	20,017,922	19,885,741	20,199,995	19,711,877	20,978,172
Pupil Transportation	1,639,259	1,681,770	1,572,364	1,693,083	1,836,930
Community Services	27,517	28,292	20,109	6,261	23,417
Employee Benefits	8,618,290	9,176,207	9,688,755	9,298,985	9,408,842
Debt Service	3,360,822	3,310,666	3,469,456	4,464,141	4,334,925
Total Expenditures	<u>\$ 37,860,823</u>	<u>\$ 39,179,901</u>	<u>\$ 39,403,654</u>	<u>\$ 39,413,017</u>	<u>\$ 41,386,959</u>
Other Uses:					
Interfund Transfers	<u>245,682</u>	<u>166,866</u>	<u>150,539</u>	<u>117,096</u>	<u>2,913,045</u>
Total Expenditures and Other Uses	<u>\$ 38,106,505</u>	<u>\$ 39,346,767</u>	<u>\$ 39,554,193</u>	<u>\$ 39,530,113</u>	<u>\$ 44,300,004</u>
Excess (Deficit) Revenues Over Expenditures	<u>543,551</u>	<u>635,170</u>	<u>1,270,046</u>	<u>2,659,538</u>	<u>(1,262,350)</u>
FUND BALANCE					
Fund Balance - Beginning of Year	4,152,122	4,695,673	5,330,843	6,600,889	9,260,428
Prior Period Adjustments (net)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 4,695,673</u>	<u>\$ 5,330,843</u>	<u>\$ 6,600,889</u>	<u>\$ 9,260,427</u>	<u>\$ 7,998,078</u>

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending June 30:	2023			2024
	Adopted Budget	Modified Budget	Actual	Adopted Budget
REVENUES				
Real Property Taxes	\$ 16,512,665	\$ 14,775,479	\$ 14,775,379	\$ 17,392,622
Real Property Tax Items	587,254	2,324,440	2,304,826	570,100
Charges for Services	208,500	208,500	378,859	208,500
Use of Money & Property	165,132	165,132	411,165	166,735
Sale of Property and Compensation for Loss	-	-	53,397	-
Miscellaneous	1,077,902	1,088,025	1,056,686	1,214,343
Revenues from State Sources	25,945,979	25,945,978	26,001,936	29,923,774
Revenues from Federal Sources	55,000	55,000	25,781	55,000
Total Revenues	<u>\$ 44,552,432</u>	<u>\$ 44,562,554</u>	<u>\$ 45,008,029</u>	<u>\$ 49,531,074</u>
Other Sources:				
Appropriated Fund Balance	500,000	500,000	-	650,000
Appropriated Reserves	36,000	321,030	-	124,697
Interfund Transfers	-	-	197,818	-
Total Revenues and Other Sources	<u>\$ 45,088,432</u>	<u>\$ 45,383,584</u>	<u>\$ 45,205,847</u>	<u>\$ 50,305,771</u>
EXPENDITURES				
General Support	\$ 4,750,632	\$ 4,960,906	\$ 4,761,686	\$ 5,249,182
Instruction	22,719,014	22,913,715	22,576,086	25,803,695
Pupil Transportation	2,011,012	2,071,761	2,004,089	2,263,207
Community Services	45,950	29,349	28,357	47,450
Employee Benefits	10,887,590	10,206,696	10,092,110	11,560,037
Debt Service	4,524,234	4,858,476	4,909,399	5,072,201
Total Expenditures	<u>\$ 44,938,432</u>	<u>\$ 45,040,903</u>	<u>\$ 44,371,727</u>	<u>\$ 49,995,771</u>
Other Uses:				
Interfund Transfers	150,000	342,681	328,677	310,000
Total Expenditures and Other Uses	<u>\$ 45,088,432</u>	<u>\$ 45,383,584</u>	<u>\$ 44,700,404</u>	<u>\$ 50,305,771</u>
Excess (Deficit) Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>505,443</u>	<u>-</u>
FUND BALANCE				
Fund Balance - Beginning of Year	-	-	7,998,079	-
Prior Period Adjustments (net)	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,503,522</u>	<u>\$ -</u>

APPENDIX - B
Windsor CSD

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2024	\$ 3,125,000	\$ 1,136,692	\$ 4,261,692
2025	2,280,000	945,806	3,225,806
2026	2,405,000	835,556	3,240,556
2027	1,720,000	719,206	2,439,206
2028	1,775,000	636,944	2,411,944
2029	1,810,000	551,769	2,361,769
2030	1,900,000	464,644	2,364,644
2031	1,980,000	372,444	2,352,444
2032	1,750,000	276,344	2,026,344
2033	1,005,000	191,844	1,196,844
2034	1,030,000	142,000	1,172,000
2035	1,015,000	90,500	1,105,500
2036	305,000	39,750	344,750
2037	320,000	24,500	344,500
2038	170,000	8,500	178,500
TOTALS	\$ 22,590,000	\$ 6,436,499	\$ 29,026,499

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2012 Capital Project			2017 A DASNY Bonds - Capital Project		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 635,000	\$ 19,050	\$ 654,050	\$ 770,000	\$ 363,344	\$ 1,133,344
2025	-	-	-	700,000	324,844	1,024,844
2026	-	-	-	740,000	289,844	1,029,844
2027	-	-	-	790,000	252,844	1,042,844
2028	-	-	-	850,000	213,344	1,063,344
2029	-	-	-	870,000	170,844	1,040,844
2030	-	-	-	915,000	127,344	1,042,344
2031	-	-	-	945,000	81,594	1,026,594
2032	-	-	-	670,000	34,344	704,344
2033	-	-	-	25,000	844	25,844
TOTALS	\$ 635,000	\$ 19,050	\$ 654,050	\$ 7,275,000	\$ 1,859,188	\$ 9,134,188

Fiscal Year Ending June 30th	2017 Reconstruction			2022A DASNY Bonds - Capital Project		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 125,000	\$ 29,713	\$ 154,713	\$ 720,000	\$ 376,500	\$ 1,096,500
2025	125,000	27,213	152,213	485,000	340,500	825,500
2026	130,000	24,713	154,713	510,000	316,250	826,250
2027	130,000	22,113	152,113	535,000	290,750	825,750
2028	130,000	19,350	149,350	560,000	264,000	824,000
2029	135,000	16,425	151,425	585,000	236,000	821,000
2030	140,000	13,050	153,050	615,000	206,750	821,750
2031	145,000	8,850	153,850	650,000	176,000	826,000
2032	150,000	4,500	154,500	680,000	143,500	823,500
2033	-	-	-	715,000	109,500	824,500
2034	-	-	-	750,000	73,750	823,750
2035	-	-	-	725,000	36,250	761,250
TOTALS	\$ 1,210,000	\$ 165,925	\$ 1,375,925	\$ 7,530,000	\$ 2,569,750	\$ 10,099,750

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2022C			2023A		
	DASNY Bonds - Refunding of 2012A			DASNY Bonds - Capital Project		
	Principal	Interest	Total	Principal	Interest	Total
#REF!	\$ 750,000	\$ 123,500	\$ 873,500	\$ 125,000	\$ 224,586	\$ 349,586
2025	790,000	86,000	876,000	180,000	167,250	347,250
2026	830,000	46,500	876,500	195,000	158,250	353,250
2027	70,000	5,000	75,000	195,000	148,500	343,500
2028	30,000	1,500	31,500	205,000	138,750	343,750
2029	-	-	-	220,000	128,500	348,500
2030	-	-	-	230,000	117,500	347,500
2031	-	-	-	240,000	106,000	346,000
2032	-	-	-	250,000	94,000	344,000
2033	-	-	-	265,000	81,500	346,500
2034	-	-	-	280,000	68,250	348,250
2035	-	-	-	290,000	54,250	344,250
2036	-	-	-	305,000	39,750	344,750
2037	-	-	-	320,000	24,500	344,500
2038	-	-	-	170,000	8,500	178,500
TOTALS	\$ 2,470,000	\$ 262,500	\$ 2,732,500	\$ 3,470,000	\$ 1,560,086	\$ 5,030,086

MATERIAL EVENT NOTICES

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Commission pursuant to the Securities Exchange Act of 1934, the District has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Notes are outstanding, to the EMMA system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Note, or other material events affecting the tax status of the Notes
- (g) modifications to rights of Note holders, if material
- (h) note calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Note
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the District
- (m) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (o) incurrence of a "financial obligation" (as defined in the Rule) of the School District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the School District, any of which affect noteholders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the School District, any of which reflect financial difficulties.

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no "debt service reserves" will be established for the Notes.

With respect to event (d) the District does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes.

For the purposes of the event identified in paragraph (l) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

With respect to events (o) and (p), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

The District may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the District determines that any such other event is material with respect to the Notes; but the District does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

The District reserves the right to terminate its obligation to provide the aforescribed notices of material events, as set forth above, if and when the District no longer remains an obligated person with respect to the Notes within the meaning of the Rule. The District acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the District’s obligations under its material event notices undertaking and any failure by the District to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Notes to recover monetary damages.

The District reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the District; provided that the District agrees that any such modification will be done in a manner consistent with the Rule.

An "Undertaking to Provide Notice of Material Events" to this effect shall be provided to the purchaser(s) at closing.

FORM OF BOND COUNSEL'S OPINION

May 2, 2024

Windsor Central School District,
County of Broome,
State of New York

Re: Windsor Central School District, Broome County, New York
\$1,330,000 Bond Anticipation Notes, 2024

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$1,330,000 Bond Anticipation Notes, 2024, (the "Obligations"), of the Windsor Central School District, County of Broome, State of New York (the "Obligor"), dated May 2, 2024 in the denomination of \$ _____, bearing interest at the rate of _____% per annum, payable at maturity, and maturing May 2, 2025.

We have examined:

- (1) the Constitution and statutes of the State of New York;
- (2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");
- (3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligations that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligations not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligations and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligations to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligations and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and
- (4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligations, including the form of the Obligations. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

- (a) The Obligations have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon, without limitation as to rate or amount; provided, however, that the enforceability (but not the validity) of the Obligations: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligations; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligations is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligations is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Obligations included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligations.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligations) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligations has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligations to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligations and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligations has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligations as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligations for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligations, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

Orrick, Herrington & Sutcliffe LLP

**WINDSOR CENTRAL SCHOOL DISTRICT
BROOME COUNTY, NEW YORK**

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2023

The Audited Financial Statements, including opinion, were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

The District's independent auditor has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The District's independent auditor also has not performed any procedures relating to this Official Statement.

WINDSOR CENTRAL SCHOOL DISTRICT
FINANCIAL STATEMENTS
JUNE 30, 2023

WINDSOR CENTRAL SCHOOL DISTRICT

TABLE OF CONTENTS

Statement Number

Page

Independent Auditors' Report	3-6
Management's Discussion and Analysis	7-19
Statement of Net Position	20
Statement of Activities	21
Balance Sheet - Governmental Funds	22
Statement of Revenues, Expenditures and Changes in Fund Equity - Governmental Funds	23
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	24
Reconciliation of Governmental Funds Revenues, Expenditures, and Changes in Fund Equity to the Statement of Activities	25
Statement of Fiduciary Net Position-Fiduciary Funds	26
Notes to Financial Statements	27-59

REQUIRED SUPPLEMENTARY INFORMATION

RS1	Schedule of Changes in Total OPEB Liability	61
RS2	Schedule of District's Contributions - NYSLRS Pension Plan	62
RS3	Schedule of District's Proportionate Share of the Net Pension (Asset) Liability-NYSLRS Pension Plan	63
RS4	Schedule of District's Contributions - NYSTRS Pension Plan	64
RS5	Schedule of District's Proportionate Share of the Net Pension (Asset) Liability-NYSTRS Pension Plan	65
RS6	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - General Fund	66-67

SUPPLEMENTARY INFORMATION

SS7	Schedule of Change from Original Budget to Revised Budget and Section 1318 of Real Property Tax Law Limit Calculation	68
SS8	Schedule of Project Expenditures - Capital Projects Fund	69
SS9	Combined Balance Sheet-Non-Major Governmental Funds	70
SS10	Combined Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Governmental Funds	71
SS11	Supplementary Information Investment in Capital Assets, Net of Related Debt	72

REPORTS APPLICABLE TO THE SINGLE AUDIT ACT

SS12	Schedule of Expenditures of Federal Awards	73
	Notes to Schedule of Expenditures of Federal Awards	74
	Schedule of Findings and Questioned Costs	75
	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	76-77
	Report on Compliance for Each Major Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	78-80

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INDEPENDENT AUDITORS' REPORT

Windsor Central School District
1191 NY Route 79
Windsor, NY 13865

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Windsor School District, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Windsor 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.

Other Matters

As discussed in Note 3 to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96 - *Subscription-Based Information Technology Arrangements*, during the year ended June 30, 2023. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 Windsor Central District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 GAAS 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 GAAS 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 Windsor 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 Windsor 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, schedule of changes in total OPEB liabilities, schedule of District's contributions-NYSLRS pension plan, schedule of proportionate share of the net pension*

liability - NYSLRS pension plan, schedule of District's contributions - NYSTRS pension plan, schedule of proportionate share of net pension liability/(asset) - NYSTRS pension plan, and schedule of revenues, expenditures and changes in fund balance - budget (non-GAAP Basis) and actual - General Fund on pages 7 through 19, and 61 through 67, be presented to supplement the basic financial statements. Such information, 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 standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Windsor Central School District's basic financial statements. The schedule of change from original budget to revised budget and the section 1318 of real property tax law limit calculation, schedule of project expenditures-capital projects fund, combined balance sheet - non-major governmental funds, combined statement of revenues, expenditures and changes in fund balances non-major governmental funds, investment in capital assets, net of related debt and the Schedule of Expenditures of Federal Awards, required by the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the financial statements.

The change from original budget to revised budget and the section 1318 real property tax law limit calculation, project expenditures-capital projects fund, combined balance sheet - non-major governmental funds, combined statement of revenues, expenditures and changes in fund balances - non-major governmental funds, investment in capital assets, net of related debt and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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 themselves or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the change from original budget to revised budget and the section 1318 real property tax law limit calculation, project expenditures-capital projects fund, combined balance sheet-non-major governmental funds, combined statement of revenues, expenditures and changes in fund balances - non-major governmental funds, investment in capital assets, net of debt and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards and the Uniform Guidance

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2023 on our consideration of Windsor 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 Windsor 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 Windsor Central School District's internal control over financial reporting and compliance.

We have also issued our report dated October 5, 2023, on compliance for each major federal program, internal control over compliance, and the schedule of federal awards required by the Uniform Guidance. The purpose of that report is to describe the scope of our testing of internal control and compliance for each major program and the results of our testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Title 2 U.S. CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* in considering Windsor Central School District's internal control over each major program and compliance.

Vieira & Associates CPAs, P.C.

October 5, 2023
Endicott, New York

**WINDSOR CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

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

FINANCIAL HIGHLIGHTS

- Total General Fund expenditures exceeded revenues by \$505,443 in 2022-2023, compared to revenues exceeding expenditures in the amount of \$1,262,349 in 2021-2022.
- The General Fund adjusted budgeted expenditures and other financing uses were underspent by \$579,663, while actual revenues and other financing sources came in under the adjusted budget by \$177,737.
- Capital asset equipment land and building additions during 2022-2023 amounted to \$6,687,094. Net depreciation expense totaled \$2,628,365.
- Long Term Indebtedness of the School District at June 30, 2023 in the amount of \$81,574,225 increased \$13,840,079 from June 30, 2022 due to the increase in OPEB liability and net pension liability for NYSTRS and NYSLRS.
- Total fund balance in the General Fund, including reserves, was \$8,503,522 at June 30, 2023. Restricted fund balance of \$5,790,898 consisted of General Fund restricted reserves; assigned fund balance of \$753,517 which consisted of encumbrances of \$103,517 and appropriations to support the 2022-2023 budget of \$650,000. Unassigned fund balance was \$1,959,107, which is under the maximum limit (4% of 2023-2024 appropriations) permitted under New York State Real Property Tax.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: MD&A (this section), the basic financial statements and supplementary information, both required and not required. The basic financial statements include two kinds of statements that present different views of the School District.

- The first two statements are District-wide financial statements that provide both short-term and long-term information about the School District's overall financial status.
- The remaining statements are Governmental Fund financial statements that focus on individual parts of the School District, reporting the School District's operations in greater detail than the District-wide financial statements. The Governmental Fund financial statements concentrate on the School District's most significant funds.

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

**WINDSOR CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

Schedule of Changes in the School District's Total OPEB Liability and Related ratios related to the School District's unfunded actuarial liability for postemployment benefits and information related to the School District's pension obligations.

District-wide Financial Statements

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

The two District-wide financial statements report the School District's net position and how it has changed. Net Position – the difference between the School District's assets and liabilities – is one way to measure the School District's financial health or position. Over time, increases or decreases in the School District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

To assess the School District's overall health, one needs to consider additional nonfinancial factors such as changes in the School District's property tax base and the condition of the school buildings and other facilities.

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

Governmental Fund Financial Statements

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

- **Governmental Funds:** Most of the School District's basic services are included in Governmental Funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the Governmental Funds statements provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the District-wide financial statements, additional information following the Governmental Funds statements explains the relationship (or differences) between them.
- **Fiduciary Funds:** The School District is the trustee, or fiduciary, for assets that belong to others. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

**WINDSOR CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Our analysis below focuses on the net position (Figure 1) and changes in net position (Figure 2) of the School District's governmental activities.

Figure 1

Condensed Statement of Net Position	Governmental Activities & Total School District		Total Dollar Change
	2021-2022	2022-2023	2022-2023
<i>Current assets and other assets</i>	\$ 31,521,143	\$ 18,340,224	\$ (13,180,919)
<i>Net capital assets</i>	65,242,148	69,300,877	4,058,729
Total assets	96,763,291	87,641,101	(9,122,190)
Deferred outflows of resources:			
<i>Pensions</i>	9,364,158	9,710,999	346,841
<i>OPEB</i>	8,558,099	12,724,789	4,166,690
Total deferred outflows	17,922,257	22,435,788	4,513,531
<i>Current liabilities</i>	7,764,456	8,820,239	1,055,783
<i>Noncurrent liabilities</i>	67,734,146	81,574,225	13,840,079
Total liabilities	75,498,602	90,394,464	14,895,862
Deferred inflows of resources- Pensions			
<i>Pensions</i>	17,929,429	821,394	(17,108,035)
<i>OPEB</i>	29,019,253	23,418,817	(5,600,436)
<i>State Aid</i>	106,133	106,133	0
<i>Other</i>	0	(7,717)	(7,717)
Total deferred inflows	47,054,815	24,338,627	(22,716,188)
<i>Invested in capital assets, net of debt</i>	42,492,218	46,092,933	3,600,715
<i>Other legal restrictions</i>	6,525,330	6,825,103	299,773
<i>Unrestricted (deficit)</i>	(56,885,417)	(57,574,238)	(688,821)
Total net position	\$ (7,867,869)	\$ (4,656,202)	\$ 3,211,667

Total assets decreased 9.4% in 2022-2023.

Deferred cash outflows increased 25.2% and deferred cash inflows decreased 48.3%. These are a result of changes in actuarial assumptions related to NYSTRS and NYSLRS pension plans, as well as changes in actuarial assumptions for the other postemployment benefits (OPEB) plan.

Total liabilities increased by 19.7%. This is a result of an increase in the OPEB liability.

As a result of the above, total net position (deficit) increased 40.8%.

**WINDSOR CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

Our analysis in Figure 2 considers the operations of the School District's activities.

Figure 2

Changes in Net Position	Governmental Activities & Total School District		Total Dollar Change
	2021-2022	2022-2023	2022-2023
REVENUES			
<i>Program revenues:</i>			
Charges for service	\$ 443,348	\$ 606,178	\$ 162,830
Operating grants and contributions	1,619,277	1,235,134	(384,143)
<i>General revenues:</i>			
Real property taxes	16,584,039	17,080,205	496,166
State and federal sources	28,247,304	32,136,815	3,889,511
Use of money and property	218,606	623,409	404,803
Other general revenues	1,916,891	1,432,240	(484,651)
Total revenues	49,029,465	53,113,981	4,084,516
PROGRAM EXPENSES			
General support	4,948,638	4,911,591	(37,047)
Instruction	24,304,847	27,187,487	2,882,640
Pupil transportation	1,845,654	2,025,613	179,959
Community service	23,417	28,357	4,940
Employee benefits	5,718,889	10,262,965	4,544,076
Debt service	758,299	1,417,911	659,612
School lunch program	1,065,642	1,213,386	147,744
Scholarships	102,135	4,450	(97,685)
Other general expenditures	0	174,302	174,302
Depreciation and amortization	2,800,160	3,001,046	200,886
Total expenses	41,567,681	50,227,108	8,659,427
CHANGE IN NET POSITION	7,461,784	2,886,873	(4,574,911)

Total revenues for the School District's Governmental Activities increased by \$4,084,516 or 8.3% while total expenditures increased \$8,659,427 or 20.8%. The increase in revenue is mostly due to increases in state and federal sources. The increase in program expense is primarily due to stimulus fund spending.

**WINDSOR CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

Figures 3 and 4 show the percentage of sources of revenue for 2022-2023 and 2021-2022.

Figure 3

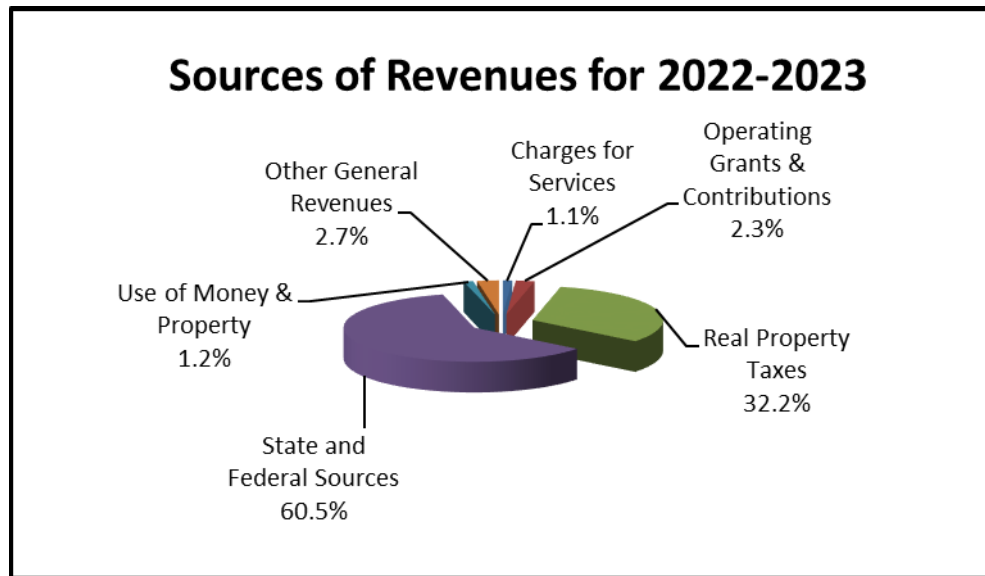
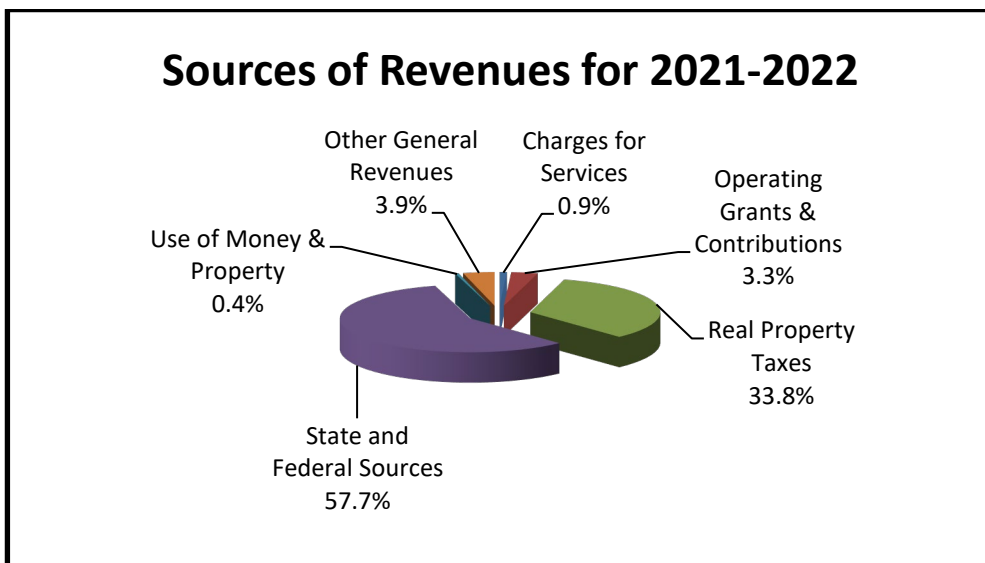


Figure 4



**WINDSOR CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

Figures 5 and 6 present the cost for each of the School District's programs for 2022-2023 and 2021-2022.

Figure 5

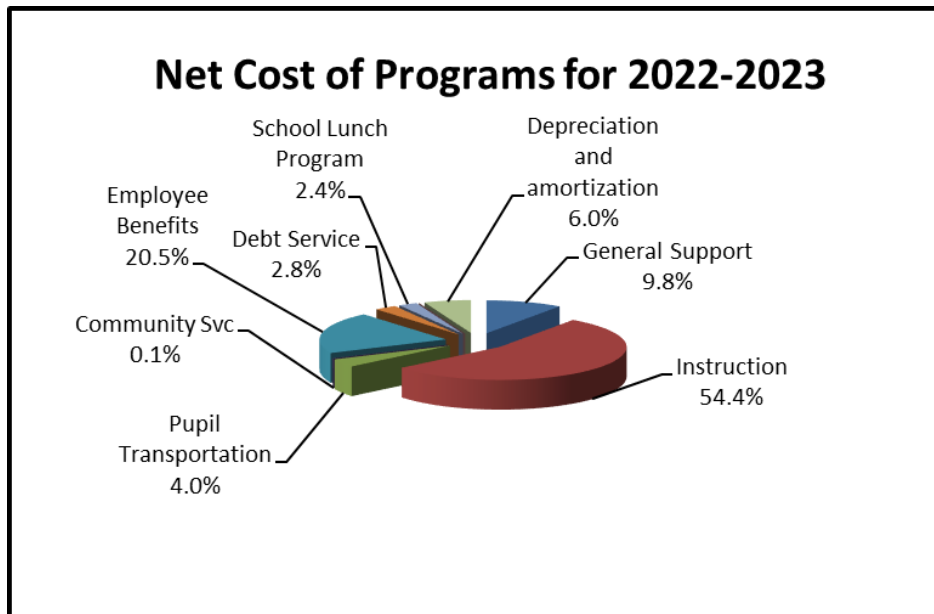
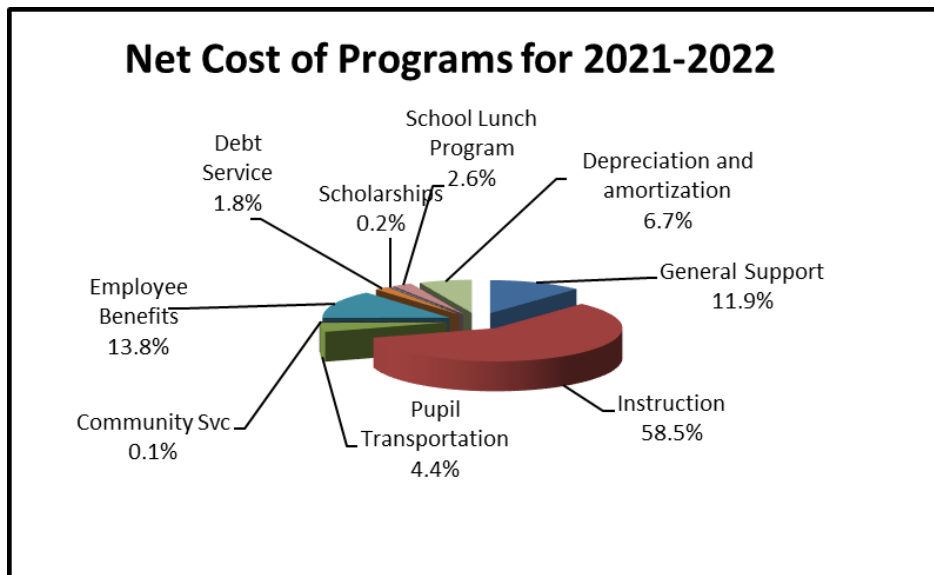


Figure 6



**WINDSOR CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Figure 7 shows the changes in fund balances for the year for the School District's funds. As the School District completed the year, its governmental funds, as presented in the Balance Sheet, reported a combined total fund balance of \$8,845,466 which is below last year's total fund balance of 8,927,062.

Figure 7

Governmental Fund Balances	2021-2022	2022-2023	Total Dollar Change 2022-2023
General Fund	\$ 7,998,079	\$ 8,503,522	\$ 505,443
Special Aid	0	0	0
School Lunch	898,910	758,837	(140,073)
Debt Service	810,266	802,247	(8,019)
Miscellaneous Special Revenue	175,769	181,897	6,128
Non-major Capital Projects	(1,931,903)	1,495,548	3,427,451
Buses	(759,678)	(749,474)	10,204
27.5M Capital Project	1,735,619	(2,147,111)	(3,882,730)
Total Fund Balance	\$ 8,927,062	\$ 8,845,466	\$ (81,596)

GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original budget and the final amended budget was \$295,152 or 0.66% of total general fund expenditures and may be summarized as follows:

210,029.08	June 30, 2022 Encumbrance Carryover
500.00	Visions FCU Loves Educators (BOE 8-29-22)
437.31	Weis 4 Schools Rewards (BOE 12-20-22)
490.65	Visions FCU Loves Educators - Coping Cats (BOE 12-20-22)
395.75	Visions FCU Decodable Books (BOE 1-31-23)
418.85	Visions FCU Literacy & Multisensory Materials (BOE 2-21-23)
410.87	Visions FCU Kindergarten Supplies (BOE 2-21-23)
492.68	Visions FCU K-1 Classroom Supplies (BOE 2-21-23)
472.45	Visions FCU Skillstreaming (BOE 2-21-23)
470.98	Visions FCU K-1 Classroom Supplies (BOE 2-21-23)
400.00	Future Farmers of America (BOE 2-21-23)
496.58	Visions FCU VLE Sensory Processing (BOE 3-28-23)
3,164.17	Lifetouch (Shutterfly) Donation (BOE 3-28-23)
475.64	Visions FCU Chemistry Supplies (BOE 5-9-23)
1,000.00	NYSED First in Math Tournament Award (BOE 6-20-23)
496.96	Visions FCU Loves Educators (BOE 6-20-23)
75,000.00	Use of EBALR Reserve for 22-23 Retirement Incentives
\$ 295,152	

**WINDSOR CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

The District's policy for amending the original budget is as follows:

- All transfers require superintendent approval; no transfers require BOE approval.
- Transfers over \$1,000 are reported to the BOE.

Figure 8 summarizes the original and final budgets, the actual expenditures (including encumbrances), and variances for the year ending June 30, 2023.

Figure 8

Condensed Budgetary Comparison General Fund - 2022-2023	Original Budget	Revised Budget	Actual w/ Encumbrances	Total Dollar Variance
REVENUES				
Real property taxes	\$ 16,512,665	\$ 14,775,479	14,775,379	\$ (100)
Real property tax items	587,254	2,324,440	2,304,826	(19,614)
State and federal sources	26,000,979	26,000,978	26,027,717	26,739
All other - other financing sources	1,451,534	1,461,657	1,900,107	438,450
Total Revenues and Other Financing Sources	\$ 44,552,432	\$ 44,562,554	\$ 45,008,029	\$ 445,475
Transfer from other funds	\$ 0	\$ 0	\$ 197,818	\$ 197,818
Appropriated Fund Balances	500,000	746,030	0	(746,030)
Reserves	36,000	75,000	0	(75,000)
Budget Grand Total	\$ 45,088,432	\$ 45,383,584	\$ 45,205,847	\$ (177,737)
EXPENDITURES				
General Support	4,750,632	4,960,906	4,788,527	172,379
Instruction	22,719,014	22,913,715	22,652,398	261,317
Pupil transportation	2,011,012	2,071,761	2,004,453	67,308
Community services	45,950	29,349	28,357	992
Employee benefits	10,887,590	10,206,696	10,092,110	114,586
Debt service	4,524,234	4,858,476	4,909,399	(50,923)
Transfers to other funds	150,000	342,681	328,677	14,004
Total Expenditures, and Other Financing Uses	\$ 45,088,432	\$ 45,383,584	\$ 44,803,921	\$ 579,663

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2023, the School District had invested in a broad range of capital assets. Capital assets had a net increase of \$4,058,729 over last year as shown in *Figure 9* below.

**WINDSOR CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

Figure 9

Capital Assets (Net of Depreciation)	Government Activities & Total School District				
	Beg. Balance 7/1/2022	Additions	Retire.	Reclass.	End. Balance 6/30/2023
<i>Land</i>	\$ 433,601	\$ 0	\$ 0	\$ 0	\$ 433,601
<i>CIP</i>	7,515,765	5,930,279	0	0	13,446,044
<i>Buildings</i>	54,383,716	(1,950,723)	0	0	52,432,993
<i>Equipment</i>	2,909,066	79,173	0	0	2,988,239
Totals	\$ 65,242,148	\$ 4,058,729	\$ 0	\$ 0	\$ 69,300,877

Capital asset activity for the year ended June 30, 2023 included the following:

\$ 69,300,877	Ending Balance
<u>65,242,148</u>	Beginning Balance
\$ 4,058,729	Year to Year
\$ 637,758	Equipment Additions
<u>119,057</u>	Buildings & Improvements
\$ 756,815	Subtotal Additions
5,930,279	Add: Construction Additions
<u>(2,628,365)</u>	Depreciation
\$ 4,058,729	

Debt Administration

Debt, both short and long-term, considered a liability of Governmental Activities, increased by \$1,257,284 in 2022-2023, as shown in *Figure 10*, primarily due to the issuance of new serial bonds. Total indebtedness represented 54.4% of the constitutional debt limit, exclusive of building aid estimates.

Figure 10

Outstanding Debt	Governmental Activities & Total School District		Total Dollar Change
	2021-2022	2022-2023	
			2022-2023
Bond anticipation notes	\$ 5,080,630	\$ 5,717,914	\$ 637,284
Serial bonds	21,970,000	22,590,000	620,000
Totals	\$ 27,050,630	\$ 28,307,914	\$ 1,257,284

***WINDSOR CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023***

Additional information on the maturities and terms of the School District's outstanding debt can be found in the notes to these financial statements.

The School District's bond rating is A+.

**WINDSOR CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

Windsor Central School District

Factors Bearing on the District's Future

For the Year Ended June 30, 2023

- The ten largest taxpayers have a total taxable assessed valuation of approximately: \$160,943,213; a decrease of \$202,749 as compared to the previous fiscal year. See table for more detail.

TOP 10 PROPERTY OWNERS	2021 ASSESSED VALUE	2022 ASSESSED VALUE	2023 ASSESSED VALUE
Laser Northeast Gathering	52,944,360	52,944,360	52,942,364
NYSEG (Windsor & Kirkwood Properties)	23,317,687	22,796,723	22,606,230
Millennium Pipeline (Windsor, Kirkwood & Sanford Properties)	20,935,739	20,935,739	20,925,779
42 Binghamton LP	4,459,500	19,759,800	19,759,500
Willow Run Foods	15,971,900	15,971,900	15,971,900
HIP NY Development LLC	7,543,000	7,543,000	7,543,000
Bluestone Gas Corp of NY Inc.	7,354,440	7,354,440	7,354,440
Frito Lay Inc.	5,390,000	5,390,000	5,390,000
Kirkwood Warehouse Investors, LLC	4,750,000	4,750,000	4,750,000
Spirit Realty LP	3,700,000	3,700,000	3,700,000
	146,366,626	161,145,962	160,943,213

NOTE: Information obtained from Assessors' Offices of Kirkwood, Windsor, Sandford, Colesville

- *Total Restricted Fund Balance (Reserves) as of 6/30/23 include:

*Reserve totals reflected are prior to end of 2022-23 fiscal year adjustments

Workers Compensation Reserve	\$ 620,267
Unemployment Insurance Reserve	205,896
Retirement Contributions Reserve	1,566,977
Retirement Contribution Sub Fund Reserve	1,378,357
Tax Certiorari Reserve	352,477
Employee Benefit Accrued Liability Reserve	180,306
Repair Reserve	500,000
Capital Reserve	986,618
Total Estimated Restricted Fund Balance (Reserves)	<u>\$ 5,790,898</u>

- Three vehicle(s) to transport students were purchased for a total cost of: \$468,023.10
The voter approved purchases are part of the WCSD's replacement schedule (approved by the board)

**WINDSOR CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

designed to strategically maintain the fleet of vehicles. The vehicles consist of: Three Buses

The District plans to send the following vehicles to auction to help offset the cost: Three Buses

- The District continued to make significant investments in the area of instructional technology by adding the following:

DESCRIPTION	COST
<u>Network/Administrative Technology Equipment (BOCES)</u> Includes network switches, wireless access points, network and website security, controllers, PCs	8,872
<u>Instructional Technology (BOCES)</u> Includes Chromebooks, Charging Stations, Document Cameras, Laptops, Interactive TV's, TV's, Apple TV's, Docking Stations, Device Accessories/Peripherals, etc.	267,757
<u>Instructional Technology (District)</u> Includes Chromebooks, Calculators, MacBooks, Interactive TV's, Device Accessories/Peripherals, etc.	117,180
TOTAL	393,809

- Staff development continues to be an area of investment.

MAJOR DISTRICT-WIDE PROFESSIONAL DEVELOPMENT ACTIVITIES	COST
District Collaborative Professional Development [1]	141,013
3-Day August Teacher Professional Development Days (staff, fees, presenters, food)	2,452
District-Wide Conferences, Workshops & Trainings throughout the School Year	34,780
Managed Education Technology Integration [2]	99,393
School Curriculum Improvement & Associated Costs [3]	41,693
TOTAL	319,331

Costs Include: BOCES management fees, consultant fees, substitute, vender contractual expenses, materials & supplies pertinent to trainings & registrations

- Employer Contribution Rate (ECR)

**WINDSOR CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

PAYROLL YEAR	TEACHER RETIREMENT SYSTEM (TRS)	*EMPLOYEE RETIREMENT SYSTEM (ERS) (Blended Rate)
2019-20	8.86%	14.57%
2020-21	9.53%	14.49%
2021-22	9.80%	16.00%
2022-23	10.29%	11.60%
2023-24	9.76%	13.02%

*NOTE: ERS is a blended rate

The Windsor Central School District (WCSD) continues to make use of Federal Funding made available to assist with addressing students learning gaps that resulted from the prolonged COVID-19 pandemic. In addition, these funds are being used to assist with the social and emotional needs of students and staff. The WCSD is being diligent to ensure all funding opportunities that are available are being utilized in an efficient manner.

The WCSD has received, been approved or is in the process of applying for significant federal funding:

***Coronavirus Response & Supplemental Appropriations (CRRSA):** \$1,488,073, expensed by 9/30/23 Status: Application submitted and approved.

***American Rescue Plan Allocation (ARP):** Total Allocation - \$4,826,482, expensed by 9/30/24 Status: Application submitted and approved.

***COPS School Violence Prevention Program Funding** competitive grant was awarded to the district for safety upgrades. The amount awarded totals \$374,456. Spending of this grant is nearly complete.

***Bureau of Justice Assistance BJA Preventing School Violence** competitive grant was awarded to assist in improving and supporting students social and emotional wellness. The amount awarded totals \$426,434.

NOTE: Funding streams listed above have specific restrictions and are one-time allocations.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Windsor Central 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 District Office of the Windsor Central School District, 1191 NY Route 79, Windsor, New York 13865.

**WINDSOR CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023**

ASSETS	<u>2023</u>
Cash	
Unrestricted	\$ 6,942,644
Restricted	6,775,007
Receivables	
State and Federal aid	2,025,283
Other	227,714
Due from other governments	1,610,489
Inventories	50,061
Deferred expenditures	-
Proportionate share of net pension asset	-
Capital assets, net of accumulated depreciation	69,300,877
Intangible lease asset, net of accumulated amortization	<u>709,026</u>
 Total Assets	 <u>\$ 87,641,101</u>
 Deferred outflows of resources	
Pensions	\$ 9,710,999
Other post employment benefits (OPEB)	12,724,789
Total Deferred Outflows of Resources	<u>22,435,788</u>
 LIABILITIES	
Payables	
Accounts payable	\$ 818,245
Accrued liabilities	421,983
Due to other governments	504
Due to fiduciary funds	-
Due to Teachers' Retirement System	1,686,986
Due to Employees' Retirement System	110,877
Notes payable	
Bond anticipation	5,717,914
Deferred credits	
Overpayments	431
Unearned revenues	63,299
Long-term liabilities	
Due and payable within one year	
Bonds payable	3,125,000
Due and payable after one year	
Bonds payable	19,465,000
Compensated absences payable	630,830
Other post employment benefits	52,049,071
Unamortized bond premium	2,475,793
Proportionate share of net pension liability - TRS	1,507,980
Proportionate share of net pension liability - ERS	<u>2,320,551</u>
 Total Liabilities	 <u>90,394,464</u>
 Deferred inflows of resources	
Pensions	\$ 821,394
Other post employment benefits (OPEB)	23,418,817
State Aid	106,133
Other	(7,717)
Total Deferred Inflows of Resources	<u>24,338,627</u>
 NET POSITION	
Investment in capital assets and	
Investment in intangible assets, net of related debt	\$ 46,092,933
Restricted for:	
Capital	-
Other legal restrictions	6,825,103
Unrestricted (deficit)	<u>(57,574,238)</u>
 Total Net Position	 <u><u>\$ (4,656,202)</u></u>

See independent auditors' report and notes to financial statements

**WINDSOR CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Assets 2023
			Charges for Services	Operating Grants	
FUNCTIONS/PROGRAMS					
General support	\$ (4,911,591)	\$ (1,341,093)	\$ -	\$ -	\$ (6,252,684)
Instruction	(27,187,487)	(10,623,894)	378,859	-	(37,432,522)
Pupil transportation	(2,025,613)	(684,570)	-	-	(2,710,183)
Community service	(28,357)	(3,863)	-	-	(32,220)
Employee benefits	(10,262,965)	10,262,965	-	-	-
Debt service	(1,417,911)	-	-	-	(1,417,911)
Depreciation	(2,628,365)	2,628,365	-	-	-
Amortization	(372,681)	372,681	-	-	-
Scholarships	(4,450)	-	-	184,299	179,849
Other expenditures	(174,302)	-	-	-	(174,302)
School food service	(1,213,386)	(610,591)	227,319	1,050,835	(545,823)
Total Functions and Programs	<u>\$ (50,227,108)</u>	<u>\$ -</u>	<u>\$ 606,178</u>	<u>\$ 1,235,134</u>	<u>\$ (48,385,796)</u>
GENERAL REVENUES					
Real property taxes	\$ 14,775,379	\$ -	\$ -	\$ -	\$ 14,775,379
Other tax items	2,304,826	-	-	-	2,304,826
Charges for services	378,859	-	(378,859)	-	-
Use of money and property	623,409	-	-	-	623,409
Sale of property and compensation for loss	53,397	-	-	-	53,397
Miscellaneous	1,205,404	-	-	-	1,205,404
State sources	26,803,114	-	-	(57,220)	26,745,894
Federal sources	6,358,755	-	-	(993,615)	5,365,140
Local sources	357,738	-	-	(184,299)	173,439
Sales - school lunch	227,319	-	(227,319)	-	-
Medicaid reimbursement	25,781	-	-	-	25,781
Total General Revenues	<u>\$ 53,113,981</u>	<u>\$ -</u>	<u>\$ (606,178)</u>	<u>\$ (1,235,134)</u>	<u>51,272,669</u>
Change in Net Position					2,886,873
Total Net Position (Deficit) - Beginning of year					(7,867,869)
Prior period adjustment (see Note 19)					324,794
Total Net Position (Deficit) - Beginning of year, as restated					(7,543,075)
Total Net Position (Deficit) - End of Year					<u>\$ (4,656,202)</u>

See independent auditors' report and notes to financial statements

**WINDSOR CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Major					Total Governmental Funds 2023
	General	Special Aid	Buses	\$27.5 Million Capital Project	Non-Major	
ASSETS						
Cash						
Unrestricted	\$ 1,746,423	\$ 170,054	\$ 475,000	\$ 2,412,889	\$ 2,138,278	\$ 6,942,644
Restricted	5,790,898	-	-	-	984,109	6,775,007
Receivables						
Due from other funds	1,339,895	-	-	-	40,535	1,380,430
Due from fiduciary funds	-	-	-	-	-	-
State and Federal aid	686,945	1,253,027	-	-	85,311	2,025,283
Due from other governments	1,610,489	-	-	-	-	1,610,489
Other	225,890	-	-	-	1,824	227,714
Inventories	-	-	-	-	50,061	50,061
Deferred expenditures	-	-	-	-	-	-
Total Assets	<u>\$ 11,400,540</u>	<u>\$ 1,423,081</u>	<u>\$ 475,000</u>	<u>\$ 2,412,889</u>	<u>\$ 3,300,118</u>	<u>\$ 19,011,628</u>
LIABILITIES						
Payables						
Accounts payable	\$ 675,245	\$ 29,847	\$ 4,610	\$ 60,000	\$ 48,543	\$ 818,245
Accrued liabilities	274,433	4,825	-	-	2,085	281,343
Due to other funds	42,777	1,335,703	1,950	-	-	1,380,430
Due to fiduciary funds	-	-	-	-	-	-
Due to other governments	136	-	-	-	368	504
Due to Teachers' Retirement System	1,686,986	-	-	-	-	1,686,986
Due to Employees' Retirement System	110,877	-	-	-	-	110,877
Compensated absences	-	-	-	-	-	-
Notes payable						
Bond anticipation	-	-	1,217,914	4,500,000	-	5,717,914
Deferred credits						
Overpayments	431	-	-	-	-	431
Unearned revenues	-	52,706	-	-	10,593	63,299
Total Liabilities	<u>2,790,885</u>	<u>1,423,081</u>	<u>1,224,474</u>	<u>4,560,000</u>	<u>61,589</u>	<u>10,060,029</u>
Deferred Cash Inflows	106,133	-	-	-	-	106,133
FUND BALANCES						
Non-spendable	-	-	-	-	50,061	50,061
Restricted	5,790,898	-	-	-	984,144	6,775,042
Assigned	753,517	-	475,000	3,614,492	4,100,604	8,943,613
Unrestricted	1,959,107	-	(1,224,474)	(5,761,603)	(1,896,280)	(6,923,250)
Total Fund Balances	<u>8,503,522</u>	<u>-</u>	<u>(749,474)</u>	<u>(2,147,111)</u>	<u>3,238,529</u>	<u>8,845,466</u>
Total Liabilities and Fund Balances	<u>\$ 11,400,540</u>	<u>\$ 1,423,081</u>	<u>\$ 475,000</u>	<u>\$ 2,412,889</u>	<u>\$ 3,300,118</u>	<u>\$ 19,011,628</u>

See independent auditors' report and notes to financial statements

**WINDSOR CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND EQUITY - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	Major				Total Governmental Funds 2023
	General	Special Aid	Buses	\$27.5 Million Capital Project	Non-Major
REVENUES					
Real property taxes	\$ 14,775,379	\$ -	\$ -	\$ -	\$ -
Other tax items	2,304,826	-	-	-	-
Charges for services	378,859	-	-	-	-
Use of money and property	411,165	-	-	-	721,287
Sale of property and compensation for loss	53,397	-	-	-	-
Miscellaneous	1,056,686	-	-	-	148,718
State sources	26,001,936	743,958	-	-	57,220
Medicaid reimbursement	25,781	-	-	-	-
Federal sources	-	5,365,140	-	-	907,496
Local sources	-	173,439	-	-	184,299
Surplus food	-	-	-	-	86,119
Sales - school lunch	-	-	-	-	227,319
Total Revenues	45,008,029	6,282,537	-	-	2,332,458
EXPENDITURES					
General support	4,761,686	-	-	-	225,386
Instruction	22,576,086	4,728,295	-	-	-
Pupil transportation	2,004,089	21,524	-	-	-
Community service	28,357	-	-	-	-
Employee benefits	10,092,110	-	-	-	256,351
Debt service					
Principal	3,607,820	-	-	-	415,000
Interest	1,301,579	-	-	-	44,479
Scholarships	-	-	-	-	4,450
Other expenditures	-	-	-	-	174,302
Cost of sales	-	-	-	-	1,302,787
Capital outlay	-	-	377,512	3,882,730	2,535,180
Total Expenditures	44,371,727	4,749,819	377,512	3,882,730	4,957,935
Excess (Deficiency) of Revenues Over Expenditures	636,302	1,532,718	(377,512)	(3,882,730)	(2,625,477)
OTHER FINANCING SOURCES AND USES					
Proceeds from debt	-	-	387,716	-	3,950,000
Proceeds of refunding bonds	-	-	-	-	3,190,000
Payment to refunded bond escrow agent	-	-	-	-	(3,282,717)
Leases	-	-	-	-	390,104
Operating transfers (out)	(328,677)	(1,720,345)	-	-	(57,576)
Operating transfers in	197,818	187,627	-	-	1,721,153
Redeemed from appropriations	-	-	-	-	-
Total Other Sources (Uses)	(130,859)	(1,532,718)	387,716	-	5,910,964
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses)	505,443	-	10,204	(3,882,730)	3,285,487
Fund Balances - Beginning of year	7,998,079	-	(759,678)	1,735,619	(46,958)
Fund Balances - End of Year	<u>\$ 8,503,522</u>	<u>\$ -</u>	<u>\$ (749,474)</u>	<u>\$ (2,147,111)</u>	<u>\$ 3,238,529</u>
					<u>\$ 8,845,466</u>

See independent auditors' report and notes to financial statements

**WINDSOR CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023**

	Total Governmental Funds	Long-Term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
ASSETS				
Cash				
Unrestricted	\$ 6,942,644	\$ -	\$ -	\$ 6,942,644
Restricted investments	6,775,007	-	-	6,775,007
Receivables				
Due from other funds	1,380,430	-	(1,380,430)	-
State and Federal aid	2,025,283	-	-	2,025,283
Due from other governments	1,610,489	-	-	1,610,489
Other	227,714	-	-	227,714
Inventories	50,061	-	-	50,061
Deferred expenditures	-	-	-	-
Proportionate share of net pension asset	-	-	-	-
Capital assets, net of accumulated depreciation	-	69,300,877	-	69,300,877
Intangible lease asset, net of accumulated amortization	-	709,026	-	709,026
Total Assets	\$ 19,011,628	\$ 70,009,903	\$ (1,380,430)	\$ 87,641,101
Deferred outflows of resources-pensions	-	9,710,999	-	9,710,999
Deferred cash inflows-OPEB	-	12,724,789	-	12,724,789
Total Deferred Outflows of Resources	-	22,435,788	-	22,435,788
LIABILITIES				
Payables				
Accounts payable	\$ 818,245	\$ -	\$ -	\$ 818,245
Accrued liabilities	281,343	140,640	-	421,983
Due to other funds	1,380,430	-	(1,380,430)	-
Due to fiduciary funds	-	-	-	-
Due to other governments	504	-	-	504
Due to Teachers' Retirement System	1,686,986	-	-	1,686,986
Due to Employees' Retirement System	110,877	-	-	110,877
Notes payable				
Bond anticipation	5,717,914	-	-	5,717,914
Deferred credits				
Overpayments	431	-	-	431
Unearned revenues	63,299	-	-	63,299
Long-term liabilities				
Compensated absences payable	-	630,830	-	630,830
Other post employment benefits	-	52,049,071	-	52,049,071
Proportionate share of net pension liability - TRS	-	1,507,980	-	1,507,980
Proportionate share of net pension liability - ERS	-	2,320,551	-	2,320,551
Bonds Payable	-	25,065,793	-	25,065,793
Total Liabilities	10,060,029	81,714,865	(1,380,430)	90,394,464
Deferred inflows of resources	-	821,394	-	821,394
- Pensions	-	23,418,817	-	23,418,817
- OPEB	-	-	-	-
- State Aid	106,133	-	-	106,133
- Other	-	(7,717)	-	(7,717)
Total Deferred Inflows of Resources	106,133	24,232,494	-	24,338,627
FUND EQUITY\NET ASSETS				
Investment in capital assets and	-	44,235,084	-	44,235,084
Investment in intangible assets, net of related debt	-	709,026	-	709,026
Non-spendable	50,061	-	-	50,061
Restricted	6,775,042	-	-	6,775,042
Unrestricted (deficit)	2,020,363	(58,445,778)	-	(56,425,415)
Total Net Position	\$ 8,845,466	\$ (13,501,668)	\$ -	\$ (4,656,202)

See independent auditors' report and notes to financial statements

WINDSOR CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, AND CHANGES IN
FUND EQUITY TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Total Governmental Funds	Long-term Revenue, Expenses	Capital Related	Long-Term Debt Transactions	Statement of Activities Totals
REVENUES					
Real property taxes	\$ 14,775,379	\$ -	\$ -	\$ -	\$ 14,775,379
Other tax items	2,304,826	-	-	-	2,304,826
Charges for services	378,859	-	-	-	378,859
Use of money and property	1,132,452	-	-	(509,043)	623,409
Sale of property and compensation for loss	53,397	-	-	-	53,397
Miscellaneous	1,205,404	-	-	-	1,205,404
State sources	26,803,114	-	-	-	26,803,114
Medicaid reimbursement	25,781	-	-	-	25,781
Federal sources	6,272,636	-	-	-	6,272,636
Local sources	357,738	-	-	-	357,738
Surplus food	86,119	-	-	-	86,119
Sales - school lunch	227,319	-	-	-	227,319
Total Revenues	<u>53,623,024</u>	<u>-</u>	<u>-</u>	<u>(509,043)</u>	<u>53,113,981</u>
EXPENDITURES\EXPENSES					
General support	4,987,072	-	(75,481)	-	4,911,591
Instruction	27,304,381	-	(116,894)	-	27,187,487
Pupil transportation	2,025,613	-	-	-	2,025,613
Community service	28,357	-	-	-	28,357
Employee benefits	10,348,461	(85,496)	-	-	10,262,965
Debt service					
Principal	4,022,820	-	-	(4,022,820)	-
Interest	1,346,058	-	-	71,853	1,417,911
Scholarships	4,450	-	-	-	4,450
Other expenditures	174,302	-	-	-	174,302
Cost of sales	1,302,787	-	(89,401)	-	1,213,386
Depreciation	-	-	2,628,365	-	2,628,365
Amortization	-	-	372,681	-	372,681
Capital outlay	<u>6,795,422</u>	<u>-</u>	<u>(6,795,422)</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>58,339,723</u>	<u>(85,496)</u>	<u>(4,076,152)</u>	<u>(3,950,967)</u>	<u>50,227,108</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,716,699)</u>	<u>85,496</u>	<u>4,076,152</u>	<u>3,441,924</u>	<u>2,886,873</u>
OTHER SOURCES AND USES					
Proceeds from debt	4,337,716	-	-	(7,527,716)	(3,190,000)
Proceeds of refunding bonds	3,190,000	-	-	-	3,190,000
Payment to refunded bond escrow agent	(3,282,717)	-	-	3,282,717	-
Proceeds from leases	390,104	-	(390,104)	-	-
Operating transfers in	2,106,598	-	-	-	2,106,598
Operating transfers (out)	<u>(2,106,598)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,106,598)</u>
Total Other Sources (Uses)	<u>4,635,103</u>	<u>-</u>	<u>(390,104)</u>	<u>(4,244,999)</u>	<u>-</u>
Net Change for the Year	<u>\$ (81,596)</u>	<u>\$ 85,496</u>	<u>\$ 3,686,048</u>	<u>\$ (803,075)</u>	<u>\$ 2,886,873</u>

See independent auditors' report and notes to financial statements

**WINDSOR CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION- FIDUCIARY FUNDS
JUNE 30, 2023**

	Custodial Trust 2023
	<hr/>
ASSETS	
Cash	\$ -
Restricted cash	-
Accounts receivable	-
Due from governmental funds	-
	<hr/>
Total Assets	\$ -
	<hr/> <hr/>
LIABILITIES	
Due to governmental funds	\$ -
Other liabilities	-
	<hr/>
Total Liabilities	\$ -
	<hr/> <hr/>
NET POSITION	\$ -
	<hr/> <hr/>

See independent auditors' report and notes to financial statements

WINDSOR CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES:

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

A) Reporting entity:

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

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

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

i) Extraclassroom Activity Funds:

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

B) Joint venture:

The District is a component district in the Broome-Tioga Board of Cooperative Educational Services ("BOCES"). BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services and programs that provide educational and support activities. There is no authority

See independent auditors' report

WINDSOR CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

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.

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

During the year, the District was billed \$8,384,144 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$4,159,583.

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

C) Basis of presentation:

i) District-wide statements:

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

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

See independent auditors' report

WINDSOR CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Fund statements:

- ii) The fund statements provide information about the District's funds, including each type of fiduciary fund. 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 remaining governmental funds are aggregated and reported as non-major funds.

The District reports the following major governmental funds:

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

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

Special Revenue Funds: These funds account for the proceeds of specific revenue sources such as federal and state grants, that are legally restricted to expenditures for specified purposes, child nutrition and school store operations or other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties. The Special Revenue Funds classified as major are:

- Special Aid Funds: Used to account for special operating projects or programs supported in whole, or in part, with federal funds or state or Local grants.

All remaining governmental funds are aggregated and reported as non-major funds.

The District reports the following fiduciary funds:

Fiduciary Funds:

Fiduciary activities are those in which the 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 District, and are not available to be used. There are two classes of fiduciary funds:

Private purpose trust funds: These funds are used to account for trust arrangements under which principal and income benefits individuals, private organizations, or other governments. A scholarship is an example of a Private-Purpose Trust Fund. 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.

See independent auditors' report

WINDSOR CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Custodial Funds: These funds are strictly custodial in nature and do not involve the measurement of results of operations.

D) Measurement focus and basis of accounting:

Accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements. The district-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, State Aid, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from State Aid is recognized in the fiscal year it is appropriated by the State. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within ninety (90) days after the end of the fiscal year as it matches the liquidation of related obligations. Each school district should adopt an availability period for all revenues, except real property taxes, which must have a 60-day availability period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until available. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made.

Expenditures are recorded when the related fund liability is incurred, except for the principal and interest on general long-term debt, claims and judgments, and compensated absences, pensions, and other post-employment benefits 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 resources.

E) Property taxes:

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

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

See independent auditors' report

WINDSOR CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

F) Restricted Resources:

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

G) Inter-fund transactions:

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

In the district-wide statements, the amounts reported on the Statement of Net Position for inter-fund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all inter-fund receivables and payables between the funds, with the exception of those due from or to the fiduciary funds.

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

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

H) Estimates

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

I) Cash (and cash equivalents) and investments:

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

See independent auditors' report

WINDSOR CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

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

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

J) Accounts receivable:

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

K) Inventories and prepaid items:

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

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

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

L) Other assets/restricted assets:

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

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

M) Capital assets:

Capital assets are reported at actual cost for acquisitions subsequent to June 30, 2003. For assets acquired prior to June 30, 2003, estimated historical costs,

See independent auditors' report

WINDSOR CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 5,000	SL	40
Building improvements	5,000	SL	25(VAR)
Site improvements	5,000	SL	25(VAR)
Furniture and equipment	5,000	SL	5-15(VAR)
Infrastructure	5,000	SL	N/A

N) Deferred outflows and inflows of resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditures) until then. The District has four items that qualify for reporting in this category. First is the deferred charge on refunding reported in the government-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 proportionate share of total contributions to the pension systems not included in pension expense. The third item is the District's contributions to the pension systems (TRS and ERS Systems) and OPEB subsequent to the measurement date. The fourth 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.

In addition to liabilities, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position 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 four items that qualify for reporting in this category. First arises only under a modified accrual basis of accounting and is reported as unavailable revenue – property taxes. 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

See independent auditors' report

WINDSOR CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

the District's proportion of the collective net position liability (ERS System) and difference during the measurement periods between the District's contributions and its proportional share of total contributions to the pension systems not included in pension expense. The third item is revenues from grants received that have met all other eligibility requirements except those related to time restrictions. The fourth 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.

O) Pension obligations:

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

Plan Descriptions and Benefits Provided

Teachers' Retirement System (TRS)

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

The District reports unearned credits on its statement of net position and its balance sheet. On the statement of net position, unearned credits arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In subsequent periods, when the District has legal claim to the resources, the liability for unearned credits is removed and revenue is recorded.

Employees' Retirement System (ERS)

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost sharing multiple-employer retirement system. The System provides retirement benefits, as well as, death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New

See independent auditors' report

WINDSOR CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

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

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education law.

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

	<u>NYSERS</u>	<u>NYSTRS</u>
2022-2023	\$ 384,649	\$1,364,329
2021-2022	468,506	1,274,798
2020-2021	436,323	1,207,753

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

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

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

See independent auditors' report

WINDSOR CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

This information was provided by the ERS and TRS Systems in reports provided to the District.

	ERS	TRS
Actuarial valuation date	4-1-22	6-30-21
Net pension (asset)/liability	\$2,320,551	\$1,507,980

District's portion of the		
Plan's total net pension (asset)/liability	0.0108214%	0.078586%

For the year ended June 30, 2023, the District recognized its proportionate share of pension expense of \$844,150 for ERS and \$1,903,226 for TRS. At June 30, 2023 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	\$ 247,157	\$ 1,580,173	\$ 65,170	\$ 30,217
Changes in assumptions	1,127,009	2,925,227	12,456	607,457
Net difference between projected and actual earnings on pension plan investments	-	1,948,454	13,633	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	136,305	99,877	53,300	39,161
District's contributions subsequent to the Measurement date	110,877	1,535,920	-	-
Total	\$ 1,621,348	\$ 8,089,651	\$ 144,559	\$ 676,835

District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension (asset)/liability in the year ended March 31, 2023 for ERS and June 30, 2022 for TRS. Other amounts reported as deferred outflows of resources, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

See independent auditors' report

WINDSOR CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

	ERS	TRS
Year ended June 30,		
2023	\$ -	\$ 1,128,314
2024	324,823	597,165
2025	(109,904)	(219,496)
2026	498,931	3,846,346
2027	652,062	500,323
2028	-	-
Thereafter	-	24,242

Actuarial Assumptions

	<u>ERS</u>	<u>TRS</u>
Measurement date	03-31-23	06-30-22
Actuarial valuation date	04-01-22	06-30-21
Interest rate	5.9%	6.95%
Salary Scale	4.4%	Based on experience
Decrement tables	Based on FY 2016-2020 experience	Based on 2009-2014 experience
Inflation rate	2.9%	2.4%
Projected Cost of Living Adjustments	1.5%	1.3%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021. For TRS, annuitant mortality rates are based on July 1, 2015 - June 30, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021.

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.

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 are summarized below:

See independent auditors' report

WINDSOR CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

ERS

Asset class	Target Allocation	Long-term expected real rate of return*
Domestic Equity	32.0%	4.30%
International Equity	15.0%	6.85
Private Equity	10.0%	7.50
Real estate	9.0%	4.60
Opportunistic/Absolute Return Strategies	3.0%	5.38
Credit	4.0%	5.43
Real Assets	3.0%	5.84
Fixed Income	23.0%	1.50
Cash	1.0%	-
Total	100.0%	

* Real rates of return are net of the long-term inflation assumption of 2.4% for TRS and 2.5% for ERS

	Target Allocation	Long-term expected real rate of return*
TRS		
Domestic equity	33%	6.50%
International equity	16%	7.20%
Global equity	4%	6.90%
Real estate equity	11%	6.20%
Private equity	8%	9.90%
Domestic fixed income	16%	1.10%
Global bonds	2%	0.60%
Private debt	2%	5.30%
Real estate debt	6%	2.40%
High-yield bonds	1%	3.30%
Cash equivalents	1%	-0.30%

Discount Rate

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

See independent auditors' report

WINDSOR CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

	ERS		
	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension liability/(asset)	\$ 5,607,776	\$ 2,320,551	\$ (426,308)
	TRS		
	1% Decrease (5.95%)	Current Discount (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension liability/(asset)	\$ 13,904,286	\$ 1,507,980	\$ (8,917,231)

Changes of Assumptions

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

Collective Pension Expense

Collective pension expense includes certain current period changes in the collective net pension (asset)/liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense for the year ended June 30, 2023, is \$844,150 for ERS and \$1,903,226 for TRS.

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2023, represent the projected employer contribution for the period of April 1, 2022, through June 30, 2023, based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2023, amounted to \$110,877.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2023, are paid to the System in September, October and November 2022 through a state aid intercept. Accrued retirement contributions as of June 30, 2023, represent employee and employer contributions for the fiscal year ended June 30, 2023, based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2023 amounted to \$1,686,986.

P) Unearned credits:

The District reports unearned credits on its statement of net position and its balance sheet. On the statement of net position, unearned credits arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District

See independent auditors' report

WINDSOR CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

has legal claim to the resources, the liability for unearned revenues is removed and revenues are recorded.

Statute provides the authority for the District to levy taxes to be used to finance expenditures within the first 120 days of the succeeding fiscal year. Consequently, such amounts are recognized as revenue in the subsequent fiscal year, rather than when measurable and available. Many unearned revenues recorded in governmental funds are not recorded in the District-wide statements

Q) Vested employee benefits:

Compensated absences

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

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

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

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

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

R) Other benefits:

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

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

See independent auditors' report

WINDSOR CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

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

S) Short-term debt:

The District may issue Revenue Anticipation Notes (RAN) and Tax Anticipation Notes (TAN), in anticipation of the receipt of revenues.

These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund.

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

The District may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BAN's issued for capital purposes be converted to long-term financing within five years after the original issue date.

T) Accrued liabilities and long-term obligations:

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

Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

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

U) Equity classifications:

District-wide statements:

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

Net investment in capital assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt

See independent auditors' report

WINDSOR CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

obligations from the acquisition, construction or improvements of those assets.

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

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

Funds statements:

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

Non-spendable – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the School Lunch Fund of \$50,061 as well as prepaid items or the long-term portion of loans receivable recorded in the General Fund.

Restricted – Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The School District has established the following restricted fund balances:

Debt Service Reserve Fund

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

Capital Reserve Fund

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

See independent auditors' report

WINDSOR CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Employee Benefits and Accrued Liability Reserve Fund

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

Retirement Contribution Reserve Fund

According to general Municipal Law §6-r, all expenditures made from the retirement contributions reserve fund must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This reserve is established by Board resolution and is funded by budgetary appropriation and such other 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, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r.

Tax Certiorari Reserve Fund

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

Unemployment Insurance Payment Reserve Fund

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

See independent auditors' report

WINDSOR CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the General Fund.

Repair Reserve Fund

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

Encumbrances

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

Restricted balance includes the following:

General Fund

Capital Reserve	\$ 986,618
Repair Reserve	500,000
Employee Benefits and Accrued Liabilities	180,306
Retirement Contributions - NYSERS	1,566,977
Retirement Contributions - NYSTRS	1,378,357
Tax Certiorari	352,477
Unemployment Insurance	205,896
Workers' Compensation	<u>620,267</u>
Total General Fund	<u>5,790,898</u>
Capital Projects Fund*	-
Debt Service Fund*	802,247
School Food Service Fund*	-
Other Special Revenue	181,897
Special Aid Fund*	<u>-</u>
Total restricted funds	<u>\$6,775,042</u>

*includes remaining fund balance in these funds not otherwise classified as non-spendable, committed or assigned.

Committed – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's

See independent auditors' report

WINDSOR CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

highest level of decision making authority, i.e., the Board of Education. The District has no committed fund balances as of June 30, 2023.

Assigned – Includes amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year.

Unassigned - Includes all other General Fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the District. In funds other than the General Fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned. NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds, excluding the reserve for tax reduction, a District can retain to no more than 4% of the District's budget for the General Fund for the ensuing fiscal year.

- Non-spendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year, encumbrances and amounts reserved for insurance recoveries are also excluded from the 4% limitation.

Net Position/Fund Balance

Net Position Flow Assumption:

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

The District's policy is to apply outlay first to restricted – net position as then to unrestricted – net position.

Fund Balance Flow Assumption:

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

Order of Use of Fund Balance:

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund

See independent auditors' report

WINDSOR CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

balance and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the General fund are classified as restricted fund balance. In the General fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

V) New Accounting Standards

The District has adopted and implemented the following (all) current Statements of the Governmental Accounting Standards Board (GASB) that are applicable as of June 30, 2023.

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

W) Future Changes in Accounting Standards

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

GASB has issued Statement No. 101 - *Compensated Absences*, effective for the year ending June 30, 2025.

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

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

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

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

Total fund balances of the District's governmental funds differs from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets, as applied to the reporting of capital assets and long-term liabilities, including pensions and other post-employment benefits.

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

See independent auditors' report

WINDSOR CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

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

i) Long-term revenue differences:

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

ii) Capital related differences:

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

iii) Long-term debt transaction differences:

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

iv) Pension differences:

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

v) OPEB differences:

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

NOTE 3: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

Budgets

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

See independent auditors' report

WINDSOR CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

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

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year.

Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

The following supplemental appropriations occurred during the year:

Unanticipated Revenue	\$ 10,123
Use of Reserves	75,000
Encumbrances	210,029

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.

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

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

Encumbrances

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

Deficit Fund Balance

The Capital Projects Fund had a deficit fund balance of \$1,401,037. This will be funded when the District obtains permanent financing for its current construction projects.

See independent auditors' report

WINDSOR CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 4: CASH (AND CASH EQUIVALENTS) - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE AND FOREIGN CURRENCY RISKS:

Cash and investments

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

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

A) Uncollateralized	\$ -
B) Collateralized with securities held by the pledging financial institution, or trust its department or agent, but not in the District's name	\$ 8,826,410

Restricted cash and investments represent cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$5,790,898 restricted for various fund balance reserves in the general fund, and \$126,417 restricted for extraclassroom in the fiduciary funds and \$55,445 restricted for scholarships in the other special revenue fund.

Deposits

Deposits are valued at cost or cost plus interest and are categorized as either (1) insured, or for which the securities are held by the District's agent in the District's name, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the District's name, or (3) uncollateralized. At June 30, 2023 all deposits were fully insured and collateralized by the District's agent in the District's name.

Investment and deposit policy

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

Credit risk

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

- Interest bearing demand accounts.
- Certificates of deposit.
- Obligations of the United States Treasury and United States agencies.

See independent auditors' report

WINDSOR CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

- Obligations of New York State and its localities.

Custodial risk

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

The District restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.
- Obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations.

NOTE 5: RECEIVABLES:

Receivables at year-end for individual major funds and non-major funds, including the applicable allowances for uncollectible accounts, are as follows:

<u>Description</u>	General	Special Aid	Non-Major	Total
Accounts Receivable	\$ 225,890	\$ -	\$ 1,789	\$ 227,679
Due from State and Federal	686,945	1,253,027	85,346	2,025,318
Due from Other Governments	<u>1,610,489</u>	<u>-</u>	<u>-</u>	<u>1,610,489</u>
Total	<u>\$ 2,523,324</u>	<u>\$ 1,253,027</u>	<u>\$ 87,135</u>	<u>\$ 3,863,486</u>

District management has deemed the amounts to be fully collectible.

NOTE 6: RIGHT TO USE ASSETS/INTANGIBLE ASSETS:

The District has recorded right to use lease assets as a result of implementing GASB Statement No. 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, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

The District has recorded right to use leased assets. The assets are right to use assets for leased equipment. These assets do not have related lease liabilities. The right to use lease assets are amortized on a straight-line basis over the terms of the related leases.

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

See independent auditors' report

WINDSOR CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Intangible assets for the District for the year ended June 30, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Intangible assets:				
Leased equipment	\$ 593,700	\$ 714,898	\$ -	\$1,308,598
Total right to use assets	\$ 593,700	\$ 714,898	\$ -	\$1,308,598
Less accumulated amortization:				
Leased Equipment	\$ (226,891)	\$ (372,681)	\$ -	\$ (599,572)
Total accumulated amortization	(226,891)	(372,681)	-	(599,572)
Intangible assets, net	\$ 366,809	\$ 342,217	\$ -	\$ 709,026

NOTE 7: CAPITAL ASSETS:

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

	Beginning Balance	Additions	Retirements	Adjustments	Ending Balance
Governmental Activities:					
Capital assets that are not depreciated:					
Land	\$ 433,601	\$ -	\$ -	\$ -	\$ 433,601
Construction in progress	7,515,765	5,930,279	-	-	13,446,044
Total non-depreciable historical cost	7,949,366	5,930,279	-	-	13,879,645
Capital assets that are depreciated:					
Buildings	\$ 89,934,660	\$ 119,057	\$ -	\$ -	\$ 90,053,717
Furniture and equipment	8,109,491	637,758	(337,127)	-	8,410,122
Total depreciable historical cost	98,044,151	756,815	(337,127)	-	98,463,839
Total non-depreciable and depreciable costs	105,993,517	6,687,094	(337,127)	-	112,343,484
Less accumulated depreciation:					
Buildings	\$ (35,550,944)	\$ (2,069,780)	\$ -	\$ -	\$ (37,620,724)
Furniture and equipment	(5,200,425)	(558,585)	337,127	-	(5,421,883)
Total accumulated depreciation	(40,751,369)	(2,628,365)	337,127	-	(43,042,607)
Total depreciable historical cost, net	\$ 57,292,782	\$ (1,871,550)	\$ -	\$ -	\$ 55,421,232
Total Capital Assets	\$ 65,242,148	\$ 4,058,729	\$ -	\$ -	\$ 69,300,877

Depreciation expense was charged to governmental functions as follows:

General Support	\$ (56,176)
Instruction	(2,080,948)
Pupil Transportation	(473,044)
Cost of Goods Sold	(18,197)
	<u>\$ (2,628,365)</u>

See independent auditors' report

WINDSOR CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 8: SHORT-TERM DEBT:

Transactions in short-term debt for the year are summarized below:

<u>Maturity</u>	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
11/1/2022	1.50%	\$ 3,950,000	\$ -	\$ (3,950,000)	\$ -
5/5/2023	2.14%	1,130,630	-	(1,130,630)	-
7/28/2023	2.64%	-	4,500,000	-	4,500,000
5/4/2024	3.49%	-	1,217,914	-	1,217,914
		<u>\$ 5,080,630</u>	<u>\$ 5,717,914</u>	<u>\$ (5,080,630)</u>	<u>\$ 5,717,914</u>

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

Interest paid	\$ 200,957
Plus interest accrued in current year	116,234
Less interest accrued in prior year	<u>(42,833)</u>
Total interest on short-term debt	<u>\$ 274,358</u>

NOTE 9: LONG-TERM OBLIGATIONS:

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

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

Serial Bonds

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

See independent auditors' report

WINDSOR CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Noncurrent liability balances and activity for the year are as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year
Long-Term Liabilities:					
Bonds and notes payable	\$ 21,970,000	\$ 6,660,000	\$ (6,040,000)	\$ 22,590,000	\$ 3,125,000
Unamortized bond premium	1,966,750	678,000	(168,957)	2,475,793	-
Total long-term liabilities	23,936,750	7,338,000	(6,208,957)	25,065,793	3,125,000
Other Long-Term Liabilities:					
Compensated absences payable	\$ 597,864	\$ 32,966	\$ -	\$ 630,830	\$ -
Other post-employment benefits obligation*	43,199,532	8,849,539	-	52,049,071	-
Net pension liability - TRS	-	1,507,980	-	1,507,980	-
Net pension liability - ERS	-	2,320,551	-	2,320,551	-
Total other liabilities	43,797,396	12,711,036	-	56,508,432	-
Total Other Long-Term Liabilities	\$ 67,734,146	\$ 20,049,036	\$ (6,208,957)	\$ 81,574,225	\$ 3,125,000

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

Bonds payable is comprised of the following:

<u>Description of issue</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding at Year End</u>
Serial Bonds				
Reconstruction and Renovations Bonds	6/15/2012	6/15/2024	2.0-3.0%	\$ 635,000
2017A Series	6/8/2017	6/15/2033	3.0-5.0%	7,275,000
2017 Series	8/17/2017	6/15/2032	2.0-3.0%	1,210,000
2022A Series	6/15/2022	6/15/2035	5.00%	7,530,000
2022C Series	10/4/2022	6/15/2028	5.00%	2,470,000
2023A Series	6/15/2023	6/15/2038	5.00%	3,470,000
				<u>\$ 22,590,000</u>

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

<u>Fiscal year ended:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 30, 2024	\$ 3,125,000	\$ 1,136,692	\$ 4,261,692
2025	2,280,000	945,806	3,225,806
2026	2,405,000	835,556	3,240,556
2027	1,720,000	719,206	2,439,206
2028	1,775,000	636,944	2,411,944
2029-2033	8,445,000	1,857,044	10,302,044
2034-2038	2,840,000	305,250	3,145,250
	<u>\$ 22,590,000</u>	<u>\$ 6,436,498</u>	<u>\$ 29,026,498</u>

See independent auditors' report

WINDSOR CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

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

Interest paid	1,145,101
Less: interest accrued in the prior year	(25,954)
Plus: interest accrued in the current year	<u>24,406</u>
Total interest on long-term debt	<u>\$ 1,143,553</u>

NOTE 10: PENSION PLANS:

General information:

The District participates in the New York State Teachers' Retirement System (TRS) and the New York State and Local Employees' Retirement System (ERS). These are cost-sharing multiple employer public employee retirement systems. The Systems offer a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death, and disability. See Note 1(O) – Summary of Significant Accounting Policies for further plan details. Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund.

NOTE 11: INTER-FUND TRANSACTIONS – GOVERNMENTAL FUNDS:

	<u>Inter-fund</u>		<u>Inter-fund</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenues</u>	<u>Expenditures</u>
General	\$ 1,339,895	\$ 42,777	\$ 197,818	\$ 328,677
Special Aid	-	1,335,703	187,627	1,720,345
School Food Service	40,535	-	41,050	-
Capital Projects	-	1,950	1,625,000	57,576
Debt Service	-	-	55,103	-
Miscellaneous Special Revenue Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total government activities	<u>\$ 1,380,430</u>	<u>\$ 1,380,430</u>	<u>\$ 2,106,598</u>	<u>\$ 2,106,598</u>

Inter-fund

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

The District typically transfers from the General Fund to the Special Aid Fund, to fund the local share of the Section 4408, Summer School Handicapped Program.

See independent auditors' report

WINDSOR CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

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

All inter-fund payables are expected to be repaid within one year.

NOTE 12: POST-EMPLOYMENT BENEFITS (HEALTH INSURANCE) OBLIGATION PAYABLE:

A) General information about the OPEB Plan

Plan description – The District administers a defined benefit OPEB plan that provides OPEB for permanent full-time general and public safety employees of the District. The plan is a single employer defined benefit OPEB plan (the Plan) administered by Article 11 of the State

Compiled Statutes which grants the authority to establish and amend the benefit terms and financing requirements to the District's Board, subject to applicable collective bargaining and employment agreements, and Board of Education policy.

The Plan does not issue a separate financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Funding Policy

The obligations of the Plan members and employers are established by action of the District pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreement. The District currently funds the Plan to satisfy current obligations on a pay-as-you-go basis. During the year ended June 30, 2023, approximately \$1,626,032 was paid on behalf of 188 retirees.

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

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

Inactive plan members or beneficiaries currently receiving benefit payments	240
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	<u>221</u>
Total plan members	<u>461</u>

See independent auditors' report

WINDSOR CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

B) Net OPEB Liability

The District's total OPEB liability of \$52,049,071 was measured as of June 30, 2023 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs – The total OPEB liability at June 30, 2023 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.4 percent
Salary increases	2.4 percent, average, including inflation
Discount rate	3.65 percent
Healthcare cost trend rates	6.8 percent, decreasing 3.8 percent per year over 51 years

The discount rate was based on the Bond Buyer General Obligation 20-year Bond Municipal Index as of June 30, 2022.

Mortality rates were based on the PubT-2010 Headcount-Weighted Mortality Table for teaching positions and PuBG-2010 Headcount-Weighted Mortality Table for non-teaching positions, both generationally projected using Scale MP-2021 Ultimate Scale. This assumption includes a margin for future improvements in longevity.

The actuarial assumptions in regard to rates of decrement are based on tables used by the New York State Teachers' Retirement System and the New York State Employees' State and Local Retirement System.

C) Changes in the Total OPEB Liability

Balance at June 30, 2022	\$ 43,199,532
<u>Changes for the Year</u>	
Service Cost	\$ 1,536,491
Interest	1,555,125
Effect of plan changes	-
Effect of demographic gains or losses	3,273,505
Changes in assumptions or inputs	4,110,450
Benefit payments	<u>(1,626,032)</u>
Net change in total OPEB liability	<u>8,849,539</u>
Net OPEB obligation - end of year	<u>\$ 52,049,071</u>

See independent auditors' report

WINDSOR CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Changes of assumptions and other inputs reflects a change in the discount rate from 3.54 percent on June 30, 2022 to 3.65 percent on June 30, 2023, and the actuarial cost method used was Entry Age Normal – Level of Pay.

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 (2.65 percent) or 1 percentage point higher (4.65 percent) than the current discount rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ 60,292,719	\$ 52,049,071	\$ 45,374,335

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 (5.1 percent) or 1 percentage point higher (7.1 percent) than the current healthcare cost trend rate:

	<u>1% Decrease (5.8% Decreasing To 2.8%)</u>	<u>Healthcare Cost Trend Rates (6.8% Decreasing to 3.8%)</u>	<u>1% Increase (8.8% Decreasing to 4.8%)</u>
Total OPEB liability	\$ 44,053,714	\$ 52,049,071	\$ 62,306,798

D) OPEB Expense and Deferred Outflows of resources and Deferred Inflows of Resources related to OPEB

For the year ended June 30, 2023, the District recognized OPEB expense of 708,445. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,841,959	\$ (14,089,244)
Changes in assumptions	<u>9,882,830</u>	<u>(9,329,573)</u>
Total	<u>\$ 12,724,789</u>	<u>\$ (23,418,817)</u>

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

See independent auditors' report

WINDSOR CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2024	(\$ 2,383,171)
2025	(2,383,171)
2026	(2,030,377)
2027	(2,900,766)
2028	(1,458,040)
Thereafter	461,497

NOTE 13: RISK MANAGEMENT:

General

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

Consortiums and self-insured plans

The District participates in the Broome-Tioga, Delaware Health Insurance, a non-consortium-risk-retained public entity risk pool for its employee health and accident insurance coverage. The pool is operated for the benefit of sixteen individual governmental units located within the pool's geographic area, and is considered a self-sustaining risk pool that will provide coverage for its members up to \$1,000,000 per insured event. The pool obtains independent coverage for insured events in excess of the \$1,000,000 limit, and the District has essentially transferred all related risk to the pool.

NOTE 14: FUND BALANCES:

Portions of fund balances are reserved and not available for current expenses or expenditures, as reported in the Governmental Funds Balance Sheet.

NOTE 15: COMMITMENTS AND CONTINGENCIES:

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

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

The District reports \$4,386,427 for accumulating, non-vesting sick and leave time.

NOTE 16: DONOR-RESTRICTED FUNDS:

The District administers funds, which are restricted by the donor for the purposes of scholarships. The value of donor-restricted funds in compliance with the wishes expressed by the donor, which varies among the unique endowments administered

See independent auditors' report

WINDSOR CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

by the District is \$55,445. The District authorizes expenditures from donor-restricted funds in compliance with the wishes expressed by the donor, which varies among the unique endowments administered by the District.

NOTE 17: TAX ABATEMENTS:

The County of Broome enters various property tax abatement programs for the purpose of economic development. The School District property tax revenue was reduced by \$600,159. The District received payment in lieu of tax (PILOT) payments totaling \$536,519.

NOTE 18: SUBSEQUENT EVENTS:

The District has evaluated events through October 5, 2023, which is the date the financial statements are available to be issued, for possible disclosure and recognition in the financial statements.

The District continues to monitor the lasting effects of the COVID-19 pandemic. The Federal CARES Act and the American Rescue Plan CRRSA have offset any reduction in state aid thus far. The implications of coronavirus will be long term. The extent of these adjustments will be dependent on the length of time it takes for full economic recovery.

NOTE 19: PRIOR PERIOD ADJUSTMENT:

The District made a prior period adjustment of \$324,794 to adjust their beginning net position (deficit) for the year ended June 30, 2023. The prior period adjustment was to record an increase in intangible assets from year ended June 30, 2022.

NOTE 20: RIGHT TO USE SUBSCRIPTION ASSETS/SUBSCRIPTION LIABILITY:

The District adopted GASB No.96 - *Subscription Based Information Technology Arrangements (SBITAs)*. This pronouncement addresses accounting and financial reporting for SBITAs, a type of information technology (IT) arrangement (i.e. software licensing). This Statement defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset (intangible asset) and a corresponding subscription liability, provides capitalization criteria, and requires footnote disclosure. The standards for SBITAs are based on the standards established in Statement No. 87, *Leases*. The District analyzed all IT arrangements and determined that their existing arrangements do not meet the criteria to record a right-to-use subscription asset and a corresponding subscription liability. The arrangements are either immaterial to the financial statements, do not have a contract, or are short-term (12 months or less). The District will continue to assess IT arrangements going forward and if the IT arrangements meet the criteria, they will be recognized accordingly.

See independent auditors' report

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CHANGES IN OPEB LIABILITY,
SCHEDULE OF DISTRICT'S CONTRIBUTIONS-NYSLRS,
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/
(ASSET)-NYSLRS PENSION PLAN,
SCHEDULE OF DISTRICT'S CONTRIBUTIONS-NYSTRS,
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY/(ASSET)-NYSTRS PENSION PLAN,
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE BUDGET
(NON-GAAP BASIS) AND ACTUAL - GENERAL FUND**

AND

SUPPLEMENTARY INFORMATION

**WINDSOR CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
LAST SIX FISCAL YEARS
JUNE 30, 2023**

	2018	2019	2020	2021	2022	2023
Total OPEB liability						
Service cost	\$ 2,546,660	\$ 2,769,637	\$ 2,217,185	\$ 2,107,667	\$ 2,270,260	\$ 1,536,491
Interest	1,770,017	1,863,781	1,967,802	1,542,441	1,141,006	1,555,125
Changes of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	239,815	(1,655,390)	-	-	-	-
Effect of demographic gains or losses	-	-	-	(22,587,267)	-	-
Changes of assumptions or inputs	-	(6,687,861)	11,005,221	3,138,460	(10,083,205)	7,383,955
Benefit payments	<u>(1,725,852)</u>	<u>(1,581,011)</u>	<u>(1,703,621)</u>	<u>(1,308,699)</u>	<u>(1,357,943)</u>	<u>(1,626,032)</u>
Net change in total OPEB liability	2,830,640	(5,290,844)	13,486,587	(17,107,398)	(8,029,882)	8,849,539
Total OPEB liability - beginning	<u>57,310,429</u>	<u>60,141,069</u>	<u>54,850,225</u>	<u>68,336,812</u>	<u>51,229,414</u>	<u>43,199,532</u>
Total OPEB liability - ending	<u><u>\$ 60,141,069</u></u>	<u><u>\$ 54,850,225</u></u>	<u><u>\$ 68,336,812</u></u>	<u><u>\$ 51,229,414</u></u>	<u><u>\$ 43,199,532</u></u>	<u><u>\$ 52,049,071</u></u>
Covered payroll	\$ 16,050,383	\$ 13,179,838	\$ 13,179,838	\$ 14,180,034	\$ 14,180,034	\$ 12,748,357
Total OPEB liability as a % of covered payroll	374.70%	416.17%	518.50%	361.28%	304.65%	408.28%

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

Note:

The District currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis.

See paragraph on supplementary schedules included in independent auditors' report

**WINDSOR CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
NYSLRS PENSION PLAN
LAST TEN FISCAL YEARS
FOR THE YEAR ENDED JUNE 30, 2023**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	\$ 536,838	\$ 491,098	\$ 454,157	\$ 418,771	\$ 419,163	\$ 493,758	\$ 436,347	\$ 436,323	\$ 468,491	\$ 384,703
Contributions in relation to the contractual required contribution	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered - employee payroll	2,712,272	2,659,826	2,614,909	2,708,030	2,762,786	2,817,228	2,936,366	3,041,291	2,940,703	3,373,802
Contributions as a percentage of covered -employee payroll	19.79%	18.46%	17.37%	15.46%	15.17%	17.53%	14.86%	14.35%	15.93%	11.40%

See paragraph on supplementary schedules included in independent auditors' report

**WINDSOR CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY
NYSLRS PENSION PLAN
LAST NINE FISCAL YEARS
FOR THE YEAR ENDED JUNE 30, 2023**

	2015	2016	2017	2018	2019	2020	2021	2022	2023
District's proportion of the net pension liability (asset)	0.010504%	0.009956%	0.010162%	0.0097614%	0.0103072%	0.0105328%	0.0009621%	0.0094078%	0.0108214%
District's proportionate share of the net pension liability (asset)	\$ 354,860	\$ 1,598,034	\$ 954,849	\$ 315,044	\$ 730,298	\$ 2,789,145	\$ 9,580	\$ (769,050)	\$ 2,320,551
District's covered - employee payroll	2,659,826	2,614,909	2,708,030	2,762,786	2,817,228	2,936,366	3,041,291	2,940,703	3,373,802
District's proportionate share of the net pension liability (asset) as a percentage of its covered - employee payroll	13.34%	61.11%	35.26%	11.40%	25.92%	94.99%	0.31%	-26.15%	68.78%
Plan fiduciary net position as a percentage of the total pension liability (asset)	97.90%	90.60%	94.70%	98.24%	96.27%	86.39%	99.95%	103.65%	90.78%

See paragraph on supplementary schedules included in independent auditors' report

**WINDSOR CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
NYSTRS PENSION PLAN
LAST TEN FISCAL YEARS
FOR THE YEAR ENDED JUNE 30, 2023**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	\$ 1,322,546	\$ 1,856,001	\$ 2,074,312	\$ 1,755,848	\$ 1,496,378	\$ 1,306,393	\$ 1,423,007	\$ 1,207,753	\$ 1,274,798	\$ 1,364,329
Contributions in relation to the contractually required contribution	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered - employee payroll	11,736,313	12,215,232	12,957,302	13,183,663	13,527,009	13,409,009	13,676,491	13,397,605	14,299,474	14,926,336
Contributions as a percentage of covered -employee payroll	11.27%	15.19%	16.01%	13.32%	11.06%	9.74%	10.40%	9.01%	8.91%	9.14%

See paragraph on supplementary schedules included in independent auditors' report

**WINDSOR CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY / (ASSET)
NYSTRS PENSION PLAN
LAST NINE FISCAL YEARS
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
District's proportion of the net pension liability (asset)	0.077321%	0.078774%	0.080656%	0.080570%	0.081838%	0.080276%	0.080312%	0.078811%	0.078586%
District's proportionate share of the net pension liability (asset)	\$ (8,613,097)	\$ (8,182,110)	\$ 863,856	\$ (612,414)	(1,479,852)	(2,085,567)	2,219,243	\$ (13,657,120)	\$ 1,507,980
District's covered - employee payroll	12,215,232	12,957,302	13,183,663	13,527,009	13,409,009	13,676,491	13,397,605	14,299,474	14,926,336
District's proportionate share of the net pension liability (asset) as a percentage of its covered - employee payroll	-70.51%	-63.15%	6.55%	-4.53%	-11.04%	-15.25%	16.56%	-95.51%	10.10%
Plan fiduciary net position as a percentage of the total pension liability (asset)	110.46%	111.48%	99.01%	100.66%	101.53%	102.20%	97.80%	113.20%	98.60%

See paragraph on supplementary schedules included in independent auditors' report

**WINDSOR CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND
JUNE 30, 2023**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance With Budgetary Actual
REVENUES				
Local Sources				
Real property taxes	\$ 16,512,665	\$ 14,775,479	\$ 14,775,379	\$ (100)
Other tax items	587,254	2,324,440	2,304,826	(19,614)
Charges for services	208,500	208,500	378,859	170,359
Use of money and property	165,132	165,132	411,165	246,033
Sale of property and compensation for loss	-	-	53,397	53,397
Miscellaneous	1,077,901	1,088,025	1,056,686	(31,339)
Total Local Sources	18,551,452	18,561,576	18,980,312	418,736
State sources	25,945,979	25,945,978	26,001,936	55,958
Federal sources	55,000	55,000	25,781	(29,219)
Total Revenues	44,552,431	44,562,554	45,008,029	445,475
OTHER FINANCING SOURCES				
Transfers from other funds	-	-	197,818	197,818
Appropriated fund balance	500,000	500,000	-	(500,000)
Appropriated reserves	246,030	321,030	-	(321,030)
Total Revenues and Other Financing Sources	<u>\$ 45,298,461</u>	<u>\$ 45,383,584</u>	<u>\$ 45,205,847</u>	<u>\$ (177,737)</u>

Budget basis of accounting:

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Continued on next page

**WINDSOR CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND (CONTINUED)
JUNE 30, 2023**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Final Budget Variance With Budgetary Actual And Encumbrances
EXPENDITURES					
General Support					
Board of education	\$ 39,640	\$ 38,022	\$ 33,685	\$ 1,324	\$ 3,013
Central administration	266,383	299,058	296,168	213	2,677
Finance	712,885	733,471	720,619	213	12,639
Staff	332,686	352,864	344,256	-	8,608
Central services	3,042,016	3,100,954	2,937,373	25,091	138,490
Special items	439,937	436,537	429,585	-	6,952
Total General Support	4,833,547	4,960,906	4,761,686	26,841	172,379
Instruction					
Instruction, administration and improvement	1,616,412	1,659,090	1,648,567	1,200	9,323
Teaching - regular school	11,624,552	11,602,289	11,463,720	22,340	116,229
Programs for children with handicapping conditions	4,974,846	5,496,163	5,419,563	36,633	39,967
Teaching - special school	86,250	45,113	44,664	-	449
Instructional media	2,113,711	1,908,357	1,854,152	-	54,205
Pupil services	2,426,447	2,202,703	2,145,420	16,139	41,144
Total Instruction	22,842,218	22,913,715	22,576,086	76,312	261,317
Pupil transportation	2,012,212	2,071,761	2,004,089	364	67,308
Community services	48,660	29,349	28,357	-	992
Employee benefits	10,887,590	10,206,696	10,092,110	-	114,586
Debt service	4,524,234	4,858,476	4,909,399	-	(50,923)
Total Expenditures	45,148,461	45,040,903	44,371,727	103,517	565,659
OTHER FINANCING USES					
Transfers (to) other funds	150,000	342,681	328,677	-	14,004
Total Expenditures and Other Uses	<u>\$ 45,298,461</u>	<u>\$ 45,383,584</u>	<u>44,700,404</u>	<u>\$ 103,517</u>	<u>\$ 579,663</u>
Net Change in Fund Balances			505,443		
Fund balance - Beginning			<u>7,998,079</u>		
Fund balance - Ending			<u>\$ 8,503,522</u>		

See paragraph on supplementary schedules included in independent auditors' report

**WINDSOR CENTRAL SCHOOL DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET
AND SECTION 1318 OF REAL PROPERTY TAX LIMIT CALCULATION
JUNE 30, 2023**

CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET

Adopted budget	\$ 45,088,432
Add: Prior year's encumbrances	<u>210,029</u>
Original budget	45,298,461
Unanticipated revenues	10,123
Use of employee benefit accrued liability reserve	<u>75,000</u>
Final budget	<u><u>\$ 45,383,584</u></u>

SECTION 1318 OF REAL PROPERTY TAX LIMIT CALCULATION

2023 - 2024 voter - approved budget	\$ 50,305,771
Maximum allowed	2,012,231
Unrestricted fund balance	
Assigned fund balance	753,517
Unassigned fund balance	<u>1,959,107</u>
	<u>2,712,624</u>
Less:	
Appropriated fund balance	650,000
Encumbrances included in assigned fund balance	<u>103,517</u>
Total adjustments	<u>753,517</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 1,959,107</u></u>
Actual percentage	3.89%

See paragraph on supplementary schedules included in independent auditors' report

WINDSOR CENTRAL SCHOOL DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
JUNE 30, 2023

PROJECT TITLE	Original Budget	Revised Budget	Expenditures			Unexpended Balance	Proceeds of Obligations	Methods of Financing			Total	Transfer to Debt Service Fund	Fund Balance June 30, 2023
			Prior Years	Current Year	Total			State Aid	Local Sources	Interfund Revenue			
Major Capital Projects													
1. 2017 Buses	\$ 3,100,643	\$ 3,100,643	\$ 3,437,553	\$ 377,512	\$ 3,815,065	\$ (714,422)	\$ 1,797,359	\$ -	\$ 1,271,232	\$ -	\$ 3,068,591	\$ 3,000	\$ (749,474)
03-17-01-06-2-222-002													
2. \$27.5 million capital project MS	-	360,000	169,116	123,835	292,951	67,049	-	-	-	-	-	-	(292,951)
03-17-01-06-0-003-017													
\$27.5 million capital project Bell Elementary	-	260,000	83,800	87,307	171,107	88,893	-	-	-	-	-	-	(171,107)
03-17-01-06-0-004-015													
\$27.5 million capital project Weeks Elementary	-	260,000	109,962	98,866	208,828	51,172	-	-	-	-	-	-	(208,828)
03-17-01-06-0-006-016													
\$27.5 million capital project HS	27,500,000	26,460,000	359,769	3,299,631	3,659,400	22,800,600	-	-	-	2,492,393	2,492,393	-	(1,167,007)
03-17-01-06-0-010-021													
\$27.5 million capital project HS	-	-	247,607	258,059	505,666	(505,666)	-	-	-	247,607	247,607	-	(258,059)
03-17-01-06-0-010-022													
\$27.5 million capital project Bus Garage	-	160,000	34,127	15,032	49,159	110,841	-	-	-	-	-	-	(49,159)
03-17-01-06-5-015-006													
Total major projects	\$ 30,600,643	\$ 30,600,643	\$ 4,441,934	\$ 4,260,242	\$ 8,702,176	\$ 21,898,467	\$ 1,797,359	\$ -	\$ 1,271,232	\$ 2,740,000	\$ 5,808,591	\$ 3,000	\$ (2,896,585)
Non-Major Capital Projects													
3. 2022-23 \$100K Project	100,000	100,000	-	100,000	100,000	-	-	-	-	100,000	100,000	-	-
03-17-01-06-0-003-019													
4. ARP Project	-	114,375	-	107,714	107,714	6,661	-	-	-	1,525,000	1,525,000	-	1,417,286
03-17-01-06-0-003-018													
5. EPC Middle School	600,000	658,334	321,983	326,776	648,759	9,575	578,334	-	535,103	-	1,113,437	55,103	409,575
03-17-01-06-0-003-015													
EPC Bell Elementary School	600,000	658,333	321,984	326,776	648,760	9,573	578,334	-	-	-	578,334	-	(70,426)
03-17-01-06-0-004-014													
EPC Weeks Elementary School	600,000	658,334	321,984	326,776	648,760	9,574	578,333	-	-	-	578,333	-	(70,427)
03-17-01-06-0-006-016													
EPC High School	600,000	658,333	321,984	326,775	648,759	9,574	578,333	-	-	-	578,333	-	(70,426)
03-17-01-06-0-010-020													
EPC Maintenance Storage	600,000	658,334	267,914	352,828	620,742	37,592	578,333	-	-	-	578,333	-	(42,409)
3-17-1-06-03-025-002													
EPC Bus Garage	658,334	658,333	376,054	279,904	655,958	2,375	578,333	-	-	-	578,333	-	(77,625)
03-17-01-06-5-015-005													
Leases	-	390,104	-	390,104	390,104	-	390,104	-	-	-	390,104	-	-
03-17-01-06-A-999-999													
Total non-major projects	3,758,334	4,164,376	1,931,903	2,147,549	4,079,452	84,924	3,470,000	-	535,103	1,625,000	5,630,103	55,103	1,495,548
Total major and non-major projects	\$ 34,358,977	\$ 34,765,019	\$ 6,373,837	\$ 6,407,791	\$ 12,781,628	\$ 21,983,391	\$ 5,267,359	\$ -	\$ 1,806,335	\$ 4,365,000	\$ 11,438,694	\$ 58,103	\$ (1,401,037)

See paragraph on supplementary schedules included in independent auditors' report

**WINDSOR CENTRAL SCHOOL DISTRICT
SUPPLEMENTARY INFORMATION
COMBINED BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Food Service	Capital Projects	Miscellaneous Special Revenue	Debt Service	Total Non-Major Funds
ASSETS					
Cash					
Unrestricted	\$ 642,730	\$ 1,495,548	\$ -	\$ -	\$ 2,138,278
Restricted	-	-	181,862	802,247	984,109
Receivables					
Due from other funds	40,535	-	-		40,535
State and Federal aid	85,311	-	-	-	85,311
Other	1,789	-	35	-	1,824
Inventories	50,061	-	-	-	50,061
Total Assets	<u>\$ 820,426</u>	<u>\$ 1,495,548</u>	<u>\$ 181,897</u>	<u>\$ 802,247</u>	<u>\$ 3,300,118</u>
LIABILITIES					
Payables					
Accounts payable	\$ 48,543	\$ -	\$ -	\$ -	\$ 48,543
Accrued liabilities	2,085	-	-	-	2,085
Due to other funds	-	-	-	-	-
Due to other governments	368	-	-	-	368
Notes payable					
Bond anticipation	-	-	-	-	-
Deferred credits					
Unearned revenues	10,593	-	-	-	10,593
Total Liabilities	61,589	-	-	-	61,589
FUND BALANCES					
Non-spendable	50,061	-	-	-	50,061
Restricted	-	-	181,897	802,247	984,144
Assigned	708,776	3,391,828	-	-	4,100,604
Unrestricted	-	(1,896,280)	-	-	(1,896,280)
Total Fund Balances	<u>758,837</u>	<u>1,495,548</u>	<u>181,897</u>	<u>802,247</u>	<u>3,238,529</u>
Total Liabilities and Fund Balances	<u>\$ 820,426</u>	<u>\$ 1,495,548</u>	<u>\$ 181,897</u>	<u>\$ 802,247</u>	<u>\$ 3,300,118</u>

See paragraph on supplementary schedules included in independent auditors' report

**WINDSOR CENTRAL SCHOOL DISTRICT
SUPPLEMENTARY INFORMATION
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	Food Service	Capital Projects	Miscellaneous Special Revenue	Debt Service	Total Non-Major Funds
REVENUES					
Real property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other tax items	-	-	-	-	-
Charges for services	-	-	-	-	-
Use of money and property	6,246	-	581	714,460	721,287
Sale of property and compensation for loss	-	-	-	-	-
Miscellaneous	93,615	55,103	-	-	148,718
State sources	57,220	-	-	-	57,220
Medicaid reimbursement	-	-	-	-	-
Federal sources	907,496	-	-	-	907,496
Local sources	-	-	184,299	-	184,299
Surplus food	86,119	-	-	-	86,119
Sales - school lunch	227,319	-	-	-	227,319
Total Revenues	1,378,015	55,103	184,880	714,460	2,332,458
EXPENDITURES					
General support	-	-	-	225,386	225,386
Instruction	-	-	-	-	-
Pupil transportation	-	-	-	-	-
Community service	-	-	-	-	-
Employee benefits	256,351	-	-	-	256,351
Debt service					
Principal	-	-	-	415,000	415,000
Interest	-	-	-	44,479	44,479
Scholarships	-	-	4,450	-	4,450
Other expenditures	-	-	174,302	-	174,302
Cost of sales	1,302,787	-	-	-	1,302,787
Capital outlay	-	2,535,180	-	-	2,535,180
Total Expenditures	1,559,138	2,535,180	178,752	684,865	4,957,935
Excess (Deficiency) of Revenues	(181,123)	(2,480,077)	6,128	29,595	(2,625,477)
OTHER FINANCING SOURCES AND USES					
Proceeds from debt	-	3,950,000	-	-	3,950,000
Proceeds from refunding bonds	-	-	-	3,190,000	3,190,000
Payment to refunded bond escrow agent	-	-	-	(3,282,717)	(3,282,717)
Leases	-	390,104	-	-	390,104
Operating transfers in	41,050	1,625,000	-	55,103	1,721,153
Operating transfers (out)	-	(57,576)	-	-	(57,576)
Total Other Sources (Uses)	41,050	5,907,528	-	(37,614)	5,910,964
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses)	(140,073)	3,427,451	6,128	(8,019)	3,285,487
Fund Balances - Beginning of year	898,910	(1,931,903)	175,769	810,266	(46,958)
Fund Balances - End of Year	\$ 758,837	\$ 1,495,548	\$ 181,897	\$ 802,247	\$ 3,238,529

See paragraph on supplementary schedules in independent auditors' report

**WINDSOR CENTRAL SCHOOL DISTRICT
SUPPLEMENTARY INFORMATION
INVESTMENT IN CAPITAL ASSETS, NET OF RELATED DEBT
FOR THE YEAR ENDED JUNE 30, 2023**

Capital Assets, net		\$ 69,300,877
Deduct:		
Bond Anticipation Notes	5,717,914	
Premium on bonds payable	(7,507)	
Short-term portion of bonds payable	3,125,000	
Long-term portion of bonds payable	19,465,000	
Less: unspent bond proceeds	<u>(4,383,437)</u>	<u>23,916,970</u>
Intangible Assets, net		<u>\$ 709,026</u>
Investment in capital assets and Intangible assets, net of related debt		<u><u>\$ 46,092,933</u></u>

See paragraph on supplementary schedules in independent auditors' report

**WINDSOR CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Assistance Listing/ CFDA Number</i>	<i>Agency or Pass-through Number</i>	<i>Total Federal Expenditures(\$)</i>
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through NYS Education Department:			
Child Nutrition Cluster			
Non-Cash Assistance (Food Distribution)			
National School Lunch Program	10.555		\$ 86,119
Cash Assistance			
School Breakfast Program	10.553		347,522
National School Lunch Program	10.555		527,041
Summer Food Service Program for Children	10.559		30,421
Total Child Nutrition Cluster			991,103
State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grants	10.649		2,512
Total Passed Through NYS Education Department			993,615
Farm to School Grant Program	10.575		149,318
Total U.S. Department of Agriculture			1,142,933
U.S. DEPARTMENT OF EDUCATION			
Passed Through NYS Education Department:			
Special Education (IDEA) Cluster			
Special Education - Grants to States (IDEA Part B)	84.027A	0032-22-0068	30
Special Education - Grants to States (IDEA Part B)	84.027A	0032-23-0068	456,342
Special Education - Preschool Grants (IDEA Preschool)	84.173A	0033-23-0068	23,350
ARP Special Education - Grants to States (IDEA, Part B)	84.027X	5532-22-0068	80,990
ARP Special Education - Preschool Grants (IDEA, Preschool)	84.0173X	5533-22-0068	6,950
Total Special Education (IDEA) Cluster			567,662
Title I, Part A			
Title I Grants to Local Educational Agencies	84.010A	0021-22-0200	24,769
Title I Grants to Local Educational Agencies	84.010A	0021-23-0200	529,278
Total Title I, Part A			554,047
Other Programs			
Supporting Effective Instruction State Grants	84.367A	0147-22-0200	2,508
Supporting Effective Instruction State Grants	84.367A	0147-23-0200	42,145
Student Support and Academic Enrichment Program	84.424A	0204-22-0200	8,704
Student Support and Academic Enrichment Program	84.424A	0204-23-0200	15,139
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	5880-21-0200	1,861,666
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	5882-21-0200	87,172
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	5883-21-0200	113,513
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	5884-21-0200	787,655
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief -Homeless Children and Youth	84.425W	5218-21-0200	3,919
COVID-19 Elementary and Secondary School Emergency Relief (ESSER I and II) Fund	84.425D	5891-21-0200	972,407
Total Other Programs			3,894,828
Total U.S. Department of Education			5,016,537
U.S. DEPARTMENT OF JUSTICE			
Public Safety Partnership and Community Policing Grants (COPS)	16.710		271,711
Stop School Violence Grants	16.839		201,711
Total U.S. Department of Justice			473,422
Total Federal Awards Expended			\$ 6,632,892

See notes to Schedule of Expenditures of Federal Awards

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1: SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES:

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal awards programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards passed through from other government agencies. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Acquisitions Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. Certain of the District's federal award programs have been charged with indirect costs, based upon an established rate applied to overall expenditures. There is no other indirect cost allocation plan in effect.

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

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

The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

NOTE 2: SUBRECIPIENTS:

No amounts were provided to subrecipients.

NOTE 3: OTHER DISCLOSURES:

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

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

NOTE 4: NON-CASH ASSISTANCE:

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. For the year ended June 30, 2023, the District received food commodities totaling \$86,119.

WINDSOR CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

Section I - Summary of Independent Auditors' Results

Financial Statements

Type of auditors' report issued on whether
The financial statements were prepared in
accordance with GAAP: unmodified

	<u>Yes</u>	<u>No</u>	
Internal Control over Financial Reporting			
Material weakness identified?	_____	_____X	
Significant deficiencies identified?	_____	_____X	none reported
Noncompliance material to financial statements noted?	_____	_____X	

Federal Awards

Internal control over major programs:

Material weakness identified?	_____	_____X	
Significant deficiencies identified?	_____	_____X	none reported

Type of auditors' report issued on compliance
for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____	_____X
--	-------	--------

Identification of major programs:

<u>Assistance Listing/ CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.425D/84.425U/ 84.425W	COVID-19 Education Stabilization Fund (ESF)
10.553/10.555/ 10.559	Child Nutrition Cluster

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

Auditee qualified as low-risk auditee?	_____X	_____
--	--------	-------

Section II - Financial Statement Findings: No matters were reported.

Section III - Federal Award Findings and Questioned Costs: No matters were reported.

VIEIRA & ASSOCIATES

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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

Independent Auditors' Report

Board of Education
Windsor Central School District
1191 NY Route 79
Windsor, NY 13865

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Windsor Central School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Windsor Central School District's basic financial statements, and have issued our report thereon dated October 5, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

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

Vieira & Associates CPAs, P.C.

October 5, 2023
Endicott, New York

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REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Independent Auditors' Report

Board of Education
Windsor Central School District
1191 NY Route 79
Windsor, NY 13865

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Windsor Central School District's compliance with the types of compliance requirements described in the **OMB Compliance Supplement** that could have a direct and material effect on each of Windsor Central School District's major federal programs for the year ended June 30, 2023. Windsor 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, Windsor 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Windsor 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 Windsor 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 Windsor Central School District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Windsor 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 GAAS, *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 Windsor Central School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Windsor 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 Windsor 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 Windsor Central School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We audited the financial statements of Windsor Central School District as of and for the year ended June 30, 2023, and have issued our report thereon dated October 5, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Vieira & Associates CPAs, P.C.

October 5, 2023
Endicott, New York