

PRELIMINARY OFFICIAL STATEMENT DATED MAY 31, 2023

NEW AND RENEWAL ISSUE

BOND ANTICIPATION NOTES

In the opinion of Trespasz & Marquardt, LLP, Bond Counsel to the School District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, 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"), and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however for tax years beginning after December 31, 2022, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Bond counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual of interest on the Notes. (See "TAX MATTERS" herein.)

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

\$21,775,000

**WESTHILL CENTRAL SCHOOL DISTRICT
ONONDAGA COUNTY, NEW YORK**

GENERAL OBLIGATIONS

**\$21,775,000 Bond Anticipation Notes, 2023
(the "Notes")**

Dated: June 27, 2023

Due: June 27, 2024

The Notes are general obligations of the Westhill Central School District, Onondaga County, New York (the "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 THE 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 in (i) registered certificated form registered in the name of the purchaser(s) or (ii) registered book-entry-only form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC").

If the Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at the office of the District Clerk. The Notes will be issued in denominations of \$5,000 or multiples thereof. A single note certificate will be issued for Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate.

If the Notes are issued in book-entry-only form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the District to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (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 Trespasz & Marquardt, LLP, Bond Counsel, Syracuse, New York. 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 on or about June 27, 2023.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com on June 7, 2023 until 11:00 A.M., Eastern Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or 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.

June __, 2023

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.

WESTHILL CENTRAL SCHOOL DISTRICT

SCHOOL DISTRICT OFFICIALS

2022-2023 BOARD OF EDUCATION

LISA M. O'REILLY
President



ROSEANNE SCRIMALE
Vice President

PATRICK CASSIDY
JAMES WICKERSHAM
ANDREW STAROWICZ

* * * * *

ADMINISTRATION

STEPHEN R. DUNHAM
Superintendent of Schools

STEVEN E. SMITH
Assistant Superintendent for Business Administration

ANITA METZ-MARTIN
School District Treasurer



FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor



TRESPASZ & MARQUARDT, LLP
BOND COUNSEL

No person has been authorized by the Westhill 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 the Westhill Central School District.

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PREPARED WITH THE ASSISTANCE OF



Fiscal Advisors & Marketing, Inc.
250 South Clinton Street, Suite 502
Syracuse, New York 13202
(315) 752-0051

www.fiscaladvisors.com

OFFICIAL STATEMENT
of the
WESTHILL CENTRAL SCHOOL DISTRICT
ONONDAGA COUNTY, NEW YORK
Relating To
\$21,775,000 Bond Anticipation Notes, 2023

This Official Statement, which includes the cover page, has been prepared by the Westhill Central School District, Onondaga County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of \$21,775,000 principal amount of Bond Anticipation Notes, 2023 (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.

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has continued to create, since its inception in the spring of 2020, prevailing economic conditions (at the global, national, State and local levels) that remain uncertain, have been generally negative, and are subject to the potential for rapid change as new variants emerge and as governments and other organizations respond. These conditions are expected to continue for an indefinite period of time. Significant federal and State relief measures that have been enacted since the onset of the pandemic have served to support the operations and finances of the District, but such measures were temporary in nature and are not likely to be extended or renewed, at least to such a large extent. Accordingly, the District's overall economic situation and outlook (and all of the specific District-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide and continuing event, the effects of which are extremely difficult to predict and quantify going forward. See also "MARKET AND RISK FACTORS - COVID-19" herein.

THE NOTES

Description of the Notes

The Notes are general obligations of the School 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 School 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 OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Notes are dated June 27, 2023 and mature, without option of prior redemption, on June 27, 2024. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity. The District will act as Paying Agent for the Notes. Paying agent fees, if any, will be paid by the purchaser(s).

The Notes will be issued in registered form at the option of the Purchaser(s) either (i) registered 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 issued pursuant to the Constitution and Statutes of the State of New York, including the Education Law and the Local Finance Law, pursuant to bond resolutions duly adopted by the Board of Education on:

- (i) June 22, 2020 authorizing the issuance of up to \$20,183,700 serial bonds or notes to finance renovations and improvements to all District school buildings: Westhill High School, Onondaga Hill Middle School, Walberta Park School Elementary School, Cherry Road Elementary School and District bus garage, including improvements to exterior athletic facilities, fields and courts, parking and sidewalks, renovations, site improvements, original furnishings, fixtures and equipment, architectural fees, and all other necessary costs incidental to such work (the “Capital Project”)
- (ii) May 16, 2023 authorizing the issuance of up to \$2,000,000 serial bonds or notes to finance the acquisition of approximately 18.28 acres of land and associated buildings and facilities of St. Charles – St. Ann’s Church located at 4461 Onondaga Boulevard, Syracuse, New York (the “Land Acquisition Project”)

Proceeds of the Notes together with \$198,700 available funds of the District will redeem \$18,723,700 bond anticipation notes maturing June 28, 2023 and issued for the Capital Project, with the balance of funds providing \$1,250,000 in new money for the Capital Project and \$2,000,000 in new money for the Land Acquisition Project.

NATURE OF THE 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, subject to applicable statutory limitations.

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 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, insuring 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, NY, 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, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, 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 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 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 the option of the School District at the offices of the School District or 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 encompasses 6.8 square miles and is comprised of portions of the Towns of Geddes and Onondaga. The District is located in Onondaga County in central New York State, adjacent to the southwestern perimeter of the City of Syracuse.

As a suburb of the City of Syracuse, the District is primarily residential and commercial in nature. The District has available to its residents all of the necessary retail and professional services. Many of the District's residents are employed in the various industries, service companies or commercial/retail establishments that constitute the diverse economic base of the Syracuse metropolitan area.

Major highways serving the District or in close proximity include; U.S. Route #5 and Interstate Routes #81, #690 and #90 (The New York State Thruway). Railway transportation within the District is provided by Amtrak which has a station located in Syracuse. Centro Bus Lines provides service within the District providing easy access for residents throughout central New York. Syracuse Hancock International Airport of the City of Syracuse, located 2 miles north of the City of Syracuse, is served by American Airlines, Delta, JetBlue, United, Allegiant and Frontier.

The School District receives police protection from Town of Geddes and State enforcement agencies, as well as the Onondaga County Sheriff's Department. Fire protection is provided by volunteer groups throughout the District. Sewer services are provided by the Onondaga County Sanitary Sewer District and water services are provided by the Onondaga County Water Authority.

Peregrine Senior Living, a developer and operator of senior living facilities recently opened a senior living community in the District. The senior living facility provides apartment style living facilities and 24 hour care to seniors living in the facility.

The following banks have offices within the School District: Bank of America, M&T Bank and KeyBank USA, N.A.

Source: District officials.

District Population

The 2021 estimated population of the District is 13,162. (Source: U.S. Census Bureau, 2017-2021 American Community Survey data).

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 the such Towns and County are included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Towns or County are necessarily representative of the District, or vice versa.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2000</u>	<u>2006-2010</u>	<u>2017-2021</u>	<u>2000</u>	<u>2006-2010</u>	<u>2017-2021</u>
Towns of:						
Geddes	\$ 20,986	\$ 26,513	\$ 36,593	\$ 51,609	\$ 67,522	\$ 83,387
Onondaga	25,522	30,751	43,836	63,674	80,264	107,987
County of:						
Onondaga	21,336	27,037	36,338	51,876	65,929	86,632
State of:						
New York	23,389	30,948	43,208	51,691	67,405	92,731

Note: 2018-2022 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2000 census, 2006-2010 and 2017-2021 American Community Survey data.

Larger Employers

The District is primarily residential. Below are some of the major employers in close proximity to the District that provide District residents with employment.

<u>Name</u>	<u>Nature of Entity</u>	<u>Number of Employees</u>
SUNY Upstate University Health System	Hospital	7,523
St. Joseph's Hospital Health Center	Hospital	4,824
Syracuse University	Higher Education	4,683
Lockheed Martin	Technology	4,100
Crouse Hospital	Hospital	3,200
National Grid	Utility	2,500
Wegmans Food Markets	Grocery	1,561

Source: CNY Business Journal News Network 2021 Book of Lists.

In the fall of 2022, Micron Technology, Inc., one of the world's largest semiconductor companies, announced plans to build a 2.4 million square foot facility in Onondaga County, New York. The facility is expected to bring thousands of jobs to the area, including approximately 9,000 high paying Micron jobs over the next 10 years. Over the next 20 years, the project is anticipated to generate nearly 50,000 jobs throughout the Syracuse metropolitan area. The District will continue to follow this development and plan accordingly.

Unemployment Rate Statistics

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

	<u>Annual Average</u>						
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Onondaga County	4.6%	4.6%	4.0%	3.8%	8.0%	4.9%	3.9%
New York State	4.9%	4.6%	4.1%	3.9%	9.8%	7.0%	4.3%

	<u>2022-23 Monthly Figures</u>											
	<u>2022</u>						<u>2023</u>					
	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>
Onondaga County	3.3%	3.5%	3.6%	3.0%	2.8%	2.9%	2.9%	3.8%	3.5%	3.1%	2.5%	N/A
New York State	4.1%	4.3%	4.2%	3.6%	3.7%	3.8%	3.8%	4.6%	4.5%	4.0%	3.7%	N/A

Note: Unemployment rates for the month of May 2023 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 School District, consists of five 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 School District and no Board member may hold certain other District offices or positions 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 3rd 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). Clarification may be needed to determine whether a Board of Education must adopt a budget that requires the same tax levy amount as used in the prior fiscal year, or whether changes to the levy are permitted for such purposes as the permitted school district exclusions or the tax base growth factor. For a complete discussion of Chapter 97, see “TAX LEVY LIMITATION LAW” herein.

Recent Budget Votes

The budget for the 2022-23 fiscal year was approved by qualified voters on May 17, 2022 by a vote of 487 yes to 127 no. The adopted budget included a total tax levy increase of 2.01%, which equaled the District's Tax Cap of 2.01% 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 389 yes to 90 no. The adopted budget included a total tax levy increase of 2.42%, which equaled the District's Tax Cap of 2.42% for the 2023-24 fiscal year.

Investment Policy

Pursuant to the statutes of the State of New York, the School 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 revenue anticipation notes issued by any New York municipality or district corporation, other than the School District; (6) obligations of a New York public corporation which are made lawful investments by the School 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 School District moneys held in certain reserve funds established pursuant to law, obligations issued by the School 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 School District's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) obligations of the United States of America or (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. In the case of obligations of the United States government, the School District may purchase such obligations pursuant to a written repurchase agreement that requires the purchased securities to be delivered to a third party custodian.

State Aid

The District receives financial assistance from the State in the form of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. In its adopted budget for the 2023-24 fiscal year, approximately 45.8% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, 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.

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 also "MARKET AND RISK FACTORS").

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 School 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 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 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.

President Biden has signed into law the American Rescue Plan, a \$1.9 trillion COVID-19 relief package that includes \$350 billion to state, local and territorial governments to keep their frontline workers employed, distribute the vaccine, increase testing, reopen schools and maintain vital services. The American Rescue Plan also includes an additional \$1,400 payment to eligible individuals and families, enhanced unemployment aid, rental and utility assistance to low and moderate income households, an increase in food stamp benefits, additional funding for child care and an increase in child care tax credits.

Since March 2020, the State has been awarded over \$14 billion in Federal education COVID response funding through the Coronavirus Aid, Relief, and Economic Security ("CARES") Act; Coronavirus Response and Relief Supplemental Appropriations Act, 2021 ("CRRSA"); and the American Rescue Plan ("ARP") Act. These funds are supporting the ability of local educational agencies to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools in the State. The District has been allocated a total of approximately \$1,742,057 in ARP funds and \$1,668,377 in CRRSA funds. As of June 30, 2023, the District has received its ARP and CRRSA funds in full.

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 new 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 2023-24 preliminary building aid ratios, the District expects to receive State building aid of approximately 87.9% of 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% 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 increased the minimum community schools funding amount from \$75,000 to \$100,000. This ensured all high-need districts across the State could 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% 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 approximately \$27.9 billion, an annual increase of approximately \$100 million or 0.4%. 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 continued under existing aid formulas. Out-year growth in School Aid reflected then 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 came in below 99% of estimates or if actual disbursements exceeded 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% 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. Such approval was received and the State released all of the withheld funds prior to June 30, 2021.

School district fiscal year (2021-2022): The State's 2021-22 Enacted Budget included \$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 included the use of \$13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which included, 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 were allocated to expand full-day kindergarten programs. Under the budget, school districts were 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. Under the budget, local governments also received full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and full restoration of \$10.3 million in proposed Video Lottery Terminal (VLT) aid cuts, where applicable.

School district fiscal year (2022-2023): The State's 2022-23 Enacted Budget included \$31.5 billion in State funding to school districts for the 2022-23 school year. This represented an increase of \$2.1 billion or 7.2 percent compared to the 2021-22 school year, and included a \$1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-23 Enacted Budget also included \$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, was 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 allocated \$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 increased 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 States 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.

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 Hochul announced that New York State 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 such funding. 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 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 2022, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 budget and enacted 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 General Fund revenues of the District for each of the last five completed fiscal years and budgeted figures for the 2022-23 and 2023-24 fiscal years comprised of State aid.

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2017-2018	\$ 36,455,872	\$ 14,389,665	39.47%
2018-2019	37,499,776	15,071,470	40.19
2019-2020	38,413,027	15,556,447	40.50
2020-2021	38,316,861	14,619,227	38.15
2021-2022	39,948,465	15,969,029	39.97
2022-2023 (Budgeted)	41,858,871 ⁽¹⁾	17,691,303	42.26
2023-2024 (Budgeted)	45,911,330 ⁽²⁾	21,034,970	45.82

⁽¹⁾ Does not include \$2,291,121 of appropriated fund balance.

⁽²⁾ Does not include \$1,099,221 of appropriated fund balance.

Source: 2017-18 through and including the 2021-22 audited financial statements of the District and 2022-23 and 2023-24 adopted budgets (unaudited) of the District. This table is not audited.

District Facilities

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built/Additions</u>
Walberta Park Elementary	K-1	540	1957, '71, '72
Cherry Road Intermediate	2-4	470	1924, '26, '27, '28, '39, '41, '85, '13
Onondaga Hill Middle	5-8	790	1952, '60, '72, '96, '13
Westhill High	9-12	860	1960, '04, '13

Source: District officials.

Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2018-2019	1,773	2023-2024	1,759
2019-2020	1,810	2024-2025	1,742
2020-2021	1,721	2025-2026	1,734
2021-2022	1,746	2026-2027	1,739
2022-2023	1,757	2027-2028	1,735

Source: District officials.

Employees

The District employs a total of approximately 355 full-time and 85 part-time employees. Certain employees are represented by the following unions:

<u>Employees</u>	<u>Union Representation</u>	<u>Contract Expiration Date</u>
178	Westhill District Education Association	June 30, 2024
119	Westhill Employees' Union	June 30, 2025
39	Westhill Drivers' and Attendant's Association	June 30, 2025

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 (for both Tier V and Tier VI).
- 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, a new Tier VI pension program was signed into law, 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%, 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 actual contributions for the last five years and budgeted figures for the 2023-24 fiscal years are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2018-19	\$ 489,570	\$ 1,354,163
2019-20	457,339	1,386,055
2020-21	509,733	1,279,217
2021-22	423,432	1,376,867
2022-23 (Actual)	398,699	1,563,942
2023-24 (Budgeted)	649,601	1,613,929

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. In 2014-2015, nine teachers took advantage of a \$10,050 retirement incentive.

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 employer contribution rates as a percent of payroll (2018-19 to 2023-24) is shown below:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2018-19	14.9%	10.62%
2019-20	14.6	8.86
2020-21	14.6	9.53
2021-22	16.2	9.80
2022-23	11.6	10.29
2023-24	13.1	9.76*

* Estimated. The TRS Retirement Board is expected to adopt the final 2023-24 employer contribution rate at its July 26, 2023 board meeting.

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 State’s 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that allows 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 are 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. As of the date of this Official Statement, the School District has not yet established such reserve fund.

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.

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.

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.

The District contracted with an actuarial firm to calculate its actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability during the 2021 and 2022 fiscal years, by source.

Balance beginning at:	July 1, 2020	July 1, 2021
	\$ 73,816,703	\$ 94,795,597
Changes for the year:		
Service cost	2,272,970	4,368,127
Interest	2,630,960	2,170,552
Differences between expected and actual experience	1,719,119	-
Changes in benefit terms	(38,162)	-
Changes in assumptions or other inputs	16,232,791	1,243,521
Benefit payments	(1,838,784)	(1,897,454)
Net Changes	\$ 20,978,894	\$ 5,884,746
Balance ending at:	June 30, 2021	June 30, 2022
	\$ 94,795,597	\$ 100,680,343

Source: Audited financial statements of the District. The above table is not audited. For additional information regarding the District's OPEB liability, 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.

Financial Statements

The School District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2022 and has been filed with the Electronic Municipal Market Access ("EMMA") website. It is also attached hereto as "APPENDIX-E" to this Official Statement. Certain summary financial information of the District can also 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 in July 9, 2021. The purpose of the audit was to evaluate the District's information technology practices for the period July 1, 2019 through September 24, 2020.

Key Findings:

- District officials did not implement adequate IT controls over the District Office's network to safeguard personal, private and sensitive information.

A copy of the complete report and the District's response to findings and recommendations included in the audit report can be found via the website of the Office of the New York State Comptroller.

There are no other State Comptrollers audits of the District 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 accuracy of information therein.

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 2017-18 through 2021-22 fiscal years of the District are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2022	No Designation	0.0
2021	No Designation	0.0
2020	No Designation	0.0
2019	No Designation	0.0
2018	No Designation	0.0

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of accuracy of information therein.

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 is in compliance 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.

TAX INFORMATION

Taxable Assessed Valuations

<u>Fiscal Year Ending June 30:</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Towns of:					
Geddes	\$ 280,550,157	\$ 282,372,174	\$ 283,590,333	\$ 283,625,451	\$ 285,404,969
Onondaga	442,450,610	452,861,784	454,956,804	456,255,493	458,837,980
Total Assessed Values	<u>\$ 723,000,767</u>	<u>\$ 735,233,958</u>	<u>\$ 738,547,137</u>	<u>\$ 739,880,944</u>	<u>\$ 744,242,949</u>
State Equalization Rates					
Towns of:					
Geddes	89.00%	87.50%	80.85%	77.83%	70.00%
Onondaga	95.00%	94.50%	92.00%	89.50%	78.00%
Total Taxable Full Valuation	<u>\$ 780,962,380</u>	<u>\$ 801,929,875</u>	<u>\$ 845,279,345</u>	<u>\$ 874,199,288</u>	<u>\$ 995,975,205</u>

Source: District officials.

Tax Rate Per \$1,000 (Assessed)

<u>Fiscal Year Ending June 30:</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Towns of:					
Geddes	\$ 30.47	\$ 31.06	\$ 32.73	\$ 33.30	\$ 33.14
Onondaga	28.55	28.77	28.64	28.98	29.80

Source: District officials.

Tax Collection Procedure

The Board establishes a tax rate for each Town within the District each August. A warrant is issued to each Town Collector specifying total taxes to be collected. Tax payments are due in September. The penalties for late payment are as follows: none for the first 30 days after due date and 2% for the next 30 days. On November 1, the Town Collectors return uncollected items to the County. In April of each year, the District is reimbursed by the County for those taxes not paid, thereby assuring 100% tax collection annually. Tax sales are held annually by the County.

Tax Collectors are elected Town officials in the Towns of Geddes and Onondaga.

Tax Levy and Collection Record

<u>Fiscal Year Ending June 30:</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total Tax Levy	\$ 21,181,514	\$ 21,802,541	\$ 22,372,917	\$ 22,671,557	\$ 23,127,966
Amount Uncollected ⁽¹⁾	705,961	667,129	647,928	504,585	560,066
% Uncollected	3.33%	3.06%	2.90%	2.23%	2.42%

⁽¹⁾ The School District is assured 100% collections. See "Tax Collections Procedure" herein.

Source: District officials.

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the School District for each of the below completed fiscal years and budgeted figures for the 2022-23 and 2023-24 fiscal years comprised of Real Property Taxes and Tax Items.

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total Real Property Taxes & Tax Items</u>	<u>Percentage of Total Revenues Consisting of Real Property Taxes</u>
2017-2018	\$ 36,455,872	\$ 20,833,407	57.15%
2018-2019	37,499,776	21,181,514	56.48
2019-2020	38,413,027	21,767,207	56.67
2020-2021	38,316,861	22,372,916	58.39
2021-2022	39,948,465	22,668,766	56.75
2022-2023 (Budgeted)	41,858,871 ⁽¹⁾	23,127,966	55.25
2023-2024 (Budgeted)	45,911,330 ⁽²⁾	23,688,313	51.60

⁽¹⁾ Does not include \$2,291,121 of appropriated fund balance.

⁽²⁾ Does not include \$1,099,221 of appropriated fund balance.

Source: 2017-18 through and including the 2021-22 audited financial statements of the District and 2022-23 and 2023-24 adopted budgets (unaudited) of the District. This table is not audited.

Ten Largest Taxpayers – 2022 Assessment Roll for 2022-23 District Tax Roll

<u>Name</u>	<u>Type</u>	<u>Taxable Full Valuation</u>
National Grid	Utility	\$ 19,706,859
Morgan Meadows Apartments LLC	Apartments	18,333,333
5075 West Seneca LLC	Senior Living Home	16,762,821 ⁽¹⁾
High Acres Apartments DE LLC	Apartments	15,769,231 ⁽²⁾
Chopper Syracuse LLC	Commercial	14,711,857
TP Onondaga LLC	Commercial	5,333,333
Als-Venture 1 Inc	Apartments	4,307,692
4574 Woodhaven Assoc LLC	Apartments	4,230,769
Winkworth Gardens	Apartments	3,589,744
Delta Sonic Carwash	Commercial	3,117,143

The larger taxpayers listed above have a total taxable full valuation of \$105,862,782, which represents approximately 11.1% of the tax base of the District

- (1) 5075 West Seneca LLC has filed a Notice of Petition with the grievance board. The claim would be approximately \$772,929 if successful.
- (2) Brookdale Senior Living has filed a Notice of Petition with the grievance board. The claim would be approximately \$266,982 if successful.

Note: In addition to the abovementioned tax certiorari claims, there are 2 other active tax certiorari claims against the District totaling \$1,143,057. The District does not anticipate that any such claims, if successful, will have a material adverse impact on the District's finances. The District is also authorized by the Local Finance Law to borrow to pay such settlements if necessary. The District has a tax certiorari reserve in place to help offset the impact of such claims. As of the date of this Official Statement, the balance of the District's tax certiorari reserve is \$397,753.

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.

STAR – School Tax Exemption. The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. 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 \$90,550 or less in 2021-22 and \$92,000 or less in 2022-2023, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first \$70,700 for the 2021-22 school year and \$74,900 for the 2022-23 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 2019-20 Enacted State Budget made several changes to the STAR program, which went into effect immediately. The changes are intended to encourage homeowners to switch from the STAR exemption to the STAR credit. The income limit for the exemption was lowered to \$250,000, compared with a \$500,000 limit for the credit. The amount received for the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually. Homeowners with STAR Adjusted Gross Income of \$250,000 or less have the option to select the credit or the exemption.

The 2020-21 Enacted State Budget further modified the STAR program. Under such legislation, property owners with property tax delinquencies greater than one year are not eligible for the Basic STAR exemption or the Basic STAR credit. Recipients of the Enhanced STAR exemptions and credits are not impacted by this program; they may continue to receive STAR benefits even if their property taxes are delinquent. While former Governor Cuomo had issued various Executive Orders in response to COVID-19 pandemic that temporarily precluded the State Tax Department from disallowing STAR exemptions or credits, the most recent of such Executive Orders expired on July 5, 2021.

The 2022-23 Enacted State Budget provides \$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 2023-24 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>
Geddes	\$ 56,980	\$ 21,000	4/6/2023
Onondaga	63,490	23,900	4/6/2023

\$2,712,342 of the District's \$22,671,557 school tax levy for the 2021-22 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January, 2022.

\$2,599,460 of the District's \$23,127,966 school tax levy for the 2022-23 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January, 2023.

Additional Tax Information

Real property located in the School District is assessed by the towns.

Senior Citizens' exemptions are offered to those who qualify.

Total assessed valuation of the School District is approximately residential-70%, commercial-16% and agricultural-14%.

The estimated total annual property tax bill of a \$100,000 full market value residential property located in the School District is approximately \$5,142 including State, Counties, Town, School District and Fire District Taxes.

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, recent legislation has made it 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 includes 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 District (and other municipalities and school districts of the State) to issue obligations and to contract indebtedness. Such constitutional and statutory limitations include the following, in summary form, and are generally applicable to the District and the Notes:

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

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness is contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been initially contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose determined by statute; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the District has authorized the issuance of indebtedness having substantially level or declining annual debt service. The 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, bond anticipation notes and capital notes.

General. The District is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such power; however, as has been noted under "NATURE OF OBLIGATION," the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. There is no constitutional limitation on the amount that may be raised by the District by tax on real estate in any fiscal year to pay principal of and interest on all indebtedness. However, the Tax Levy Limit Law imposes a statutory limitation on the power of the District to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in such law. (See "TAX LEVY LIMITATION LAW" herein).

Statutory Procedure

In general, the State Legislature has, by the enactment of the Local Finance Law, authorized the powers and procedure for the 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.

The 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 the anticipation of the bonds. No down payment is required in connection with the issuance of District obligations. With respect to certain school building construction projects, the District is not permitted to spend in excess of \$100,000 for construction costs until the plans and specifications for such project have been approved by the commissioner of Education of the State.

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 Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution, or summary thereof, together with a statutory form of notice which, in effect, estops legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. Except in certain circumstances, the District complies with such procedure. It is a procedure that is generally recommended by Bond Counsel, but it is not an absolute legal requirement.

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

Debt Limit. Pursuant to the Local Finance Law, the District has the power to contract indebtedness for any 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 District and subject to certain enumerated deductions such as State aid for building purposes. The constitutional and statutory method for determining full valuation consists of taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Board of Real Property Services. The Legislature also is required to prescribe the manner by which such ratio shall be determined by such authority.

Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending June 30th:</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Bonds	\$ 22,643,558	\$ 20,180,142	\$ 32,332,642	\$ 29,794,892	\$ 27,025,461
Bond Anticipation Notes	14,275,000	34,065,000	0	8,950,000	18,723,700
Energy Performance Contract	<u>370,435</u>	<u>189,683</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Debt Outstanding	<u>\$ 37,288,993</u>	<u>\$ 54,434,825</u>	<u>\$ 32,332,642</u>	<u>\$ 38,744,892</u>	<u>\$ 45,749,161</u>

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of May 31, 2023:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2023-2034	\$ 26,588,033
<u>Bond Anticipation Notes</u>		
Facility Improvements	June 28, 2023	<u>18,723,700</u> ⁽¹⁾
Total Indebtedness		<u>\$ 45,311,733</u>

- ⁽¹⁾ To be redeemed at maturity with proceeds of the Notes and \$198,700 available funds of the District. (See “THE NOTES – Purpose of Issue” herein.)

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of May 31, 2023:

Full Valuation of Taxable Real Property	<u>\$ 995,975,205</u>
Debt Limit 10% thereof	<u>99,597,521</u>

Inclusions:

Bonds	\$ 26,588,033	
Bond Anticipation Notes	0	
Principal of the Notes	<u>21,775,000</u>	
Total Inclusions		<u>\$ 48,363,033</u>

Exclusions:

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

Total Net Indebtedness	<u>\$ 48,363,033</u>
Net Debt-Contracting Margin	<u>\$ 51,234,488</u>
The percent of debt contracting power exhausted is	48.56%

- ⁽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 2023-24 Building Aid Ratios, the School District anticipates State Building aid of 87.9% 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.

Note: 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.

Cash Flow Borrowings

The School District has not issued tax and/or revenue anticipation notes or budget or deficiency notes in the past five fiscal years, and does not reasonably expect to issue any such notes in the foreseeable future.

Capital Project Plans

On May 21, 2019 the qualified voters of the District approved a proposition authorizing renovations and improvements to all District school buildings: Westhill High School, Onondaga Hill Middle School, Walberta Park School Elementary School, Cherry Road Elementary School and District bus garage, including improvements to exterior athletic facilities, fields and courts, parking and sidewalks, renovations, site improvements, original furnishings, fixtures and equipment, architectural fees, and all other necessary costs incidental to such work (the “Capital Project”) at a maximum estimated cost of \$20,183,700. To date the District has issued \$19,133,700 bond anticipation notes pursuant to this authorization, of which \$18,723,700 bond anticipation notes are currently outstanding and will mature on June 28, 2023. \$19,775,000 proceeds of the Notes will renew a \$18,525,000 portion of the outstanding bond anticipation notes and provide \$1,250,000 in new money for the Capital Project.

On May 17, 2022, the qualified voters of the District approved a proposition authorizing partial roof replacement projects at Walberta Park and Cherry Road elementary schools including architectural fees and all other necessary costs incidental to such work at a maximum estimated cost of \$1,250,000. Borrowings for the project will occur upon approval from the State Education Department and as the project’s cash flow needs warrant.

On May 16, 2023 the qualified voters of the District approved a proposition authorizing the issuance of up to \$2,000,000 serial bonds or notes to finance the acquisition of approximately 18.28 acres of land and associated buildings and facilities of St. Charles – St. Ann’s Church located at 4461 Onondaga Boulevard, Syracuse, New York (the “Land Acquisition Project”). \$2,000,000 proceeds of the Notes will provide new money for the Land Acquisition Project.

On May 16, 2023, the qualified voters of the District approved a proposition authorizing the purchase of four (4) student transport vehicles a total estimated cost not to exceed \$620,000. The District typically issued bonds on an annual basis to finance such student transportation vehicles.

Estimated Overlapping Indebtedness

In addition to the School District, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the School District. The estimated outstanding indebtedness of such political subdivisions is as follows:

<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:						
Onondaga	12/31/2021	\$ 690,754,309	\$ 303,373,159	\$ 387,381,150	2.76%	\$ 10,691,720
Town of:						
Geddes	12/31/2021	401,491	67,385	334,106	33.54%	112,059
Onondaga	12/31/2021	1,092,865	-	1,092,865	30.47%	332,996
					Total:	<u>\$ 11,136,775</u>

Notes:

(1) Outstanding bonds and bond anticipation notes. Not adjusted to include subsequent bond or note sales, if any.

(2) Water and sewer debt and / or appropriations. Pursuant to the Local Finance Law, this indebtedness is excluded from the constitutional debt limit.

Source: Most recent available State Comptroller’s Special Report on Municipal Affairs for Local Finance for fiscal years ended 2021 for counties and towns.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of May 31, 2023:

	<u>Amount</u>	<u>Per Capita</u> ^(a)	<u>Percentage of Full Value</u> ^(b)
Net Indebtedness ^(c)	\$ 48,363,033	\$ 3,674.44	4.86%
Net Indebtedness Plus Net Overlapping Indebtedness ^(d)	59,499,808	4,520.57	5.97

(a) The 2021 estimated population of the District is 13,162. (See "THE SCHOOL DISTRICT - Population" herein.)

(b) The District's full value of taxable real estate for the District's 2022-23 tax roll is \$995,975,205. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

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

(d) Estimated net overlapping indebtedness is \$11,136,775. (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 School 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 School District and the holder thereof. Under current law, provision is made for contract creditors of the School 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 School 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 School District may not be enforced by levy and execution against property owned by the School 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 School District indebtedness is past due. The School 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 School District as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the School 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 School 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 School District is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing 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 School District, in any year, the School District may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the School District. In several recent years, the School 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. (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 School 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.

COVID-19

The COVID-19 outbreak spread globally, including to the United States, and was declared a pandemic by the World Health Organization. The outbreak caused the Federal government to declare a national state of emergency, which was followed by the enactment of a variety of stimulus measures designed to address financial stability and liquidity issues caused by the outbreak. The State also declared a state of emergency and the State took steps designed to mitigate the spread and impacts of COVID-19. The state of emergency declaration has since lapsed in the State. The outbreak of the disease affected travel, commerce and financial markets globally and could continue to affect economic growth worldwide. Efforts to contain the spread of COVID-19 have reduced the spread of the virus and the restrictions put in place following the initial outbreak have been relaxed, and the coronavirus public health emergency expired on May 11, 2023. Nevertheless, the outbreak of COVID-19 and the dramatic steps taken by the Federal government and State government to address it may negatively impact federal and local economies, including the economy of the State. The full impact of COVID-19 on the State and the School District’s operations and financial condition may not be known for some time. Any resurgence of COVID-19 or similar variants could have a material adverse effect on the State and municipalities and school districts located in the State, including the School District. The School District continues to monitor the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations.

The District does not expect to realize any significant negative impacts from the COVID-19 pandemic through the 2022-23 fiscal year or for the foreseeable future.

TAX MATTERS

In the opinion of Trespasz & Marquardt, LLP (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, 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”), and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however for tax years beginning after December 31, 2022, interest on the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. A complete copy of the proposed form of opinion of Bond Counsel is set forth in “APPENDIX – D” hereto.

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 insure that interest on the Notes will not be included in federal gross income. Failure to comply with these covenants will result in interest on the Notes being included in gross income for federal income tax purposes as well as adjusted gross income for purposes of personal income taxes imposed by the State of New York or the City of New York, 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 excluded from adjusted gross income for federal income taxes imposed by the State of New York and the City of New York, the ownership or disposition of, or the 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.

Current and 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 Beneficial Owners from realizing the full current benefit of the tax status of such interest. Proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Notes. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, 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, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinions of Trespaz & Marquardt, LLP, Bond Counsel. Bond Counsel's opinion will be in substantially the form attached hereto as APPENDIX – D".

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 Notice of Material Events Certificate, the form of which is attached hereto as "APPENDIX - C".

Historical Continuing Disclosure Compliance

The District is in 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 financial advisor to the District on matters relating to debt management. The Municipal Advisor is a financial 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 to be paid by the District to Fiscal Advisors are partially contingent on the successful closing of the Notes.

RATINGS

The Notes are NOT rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale upon approval by the District and at the expense of the purchaser(s), including any fees to be incurred by the District, as such rating action will result in a material event notification to be posted to EMMA which is required by the District's Continuing Disclosure Undertakings. (See "APPENDIX-C, MATERIAL EVENT NOTICES" herein.)

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned their rating of "AA-" with a Stable outlook to the District's outstanding general obligation bonds. This 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 outstanding bonds.

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.

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.

Trespasz & Marquardt, LLP, Syracuse, 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: Mr. Steven Smith, Assistant Superintendent for Business, Westhill Central School District, 400 Walberta Road, Syracuse, NY 13219 telephone (315) 426-3210, fax (315) 488-6411, email: ssmith@westhillschools.org.

Additional information and copies of 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.

WESTHILL CENTRAL SCHOOL DISTRICT

Dated: May 31, 2023

LISA M. O'REILLY
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
ASSETS					
Unrestricted Cash	\$ 5,513,107	\$ 6,616,418	\$ 6,151,924	\$ 6,935,485	\$ 6,921,092
Restricted Cash	3,396,840	3,548,702	2,438,207	2,720,416	3,220,495
State and Federal Aid Receivable	-	-	-	-	-
Due from Other Governments	1,288,483	1,597,596	870,981	1,032,979	1,114,439
Other Receivables	10,884	48,533	37,678	8,400	9,398
Other Assets	-	-	-	-	-
Prepaid Expenses	898,705	935,865	1,038,195	1,062,006	912,742
Due from Other Funds	580,471	416,130	495,436	858,527	1,071,460
TOTAL ASSETS	<u>\$ 11,688,490</u>	<u>\$ 13,163,244</u>	<u>\$ 11,032,421</u>	<u>\$ 12,617,813</u>	<u>\$ 13,249,626</u>
LIABILITIES AND FUND EQUITY					
Accounts Payable	\$ 5,946	\$ 5,701	\$ 24,963	\$ 23,299	\$ 43,162
Accrued Liabilities	204,547	226,324	285,428	648,256	515,633
Accrued Interest	276,563	484,434	-	-	-
Due to Other Governments	-	-	-	204,350	-
Due to Other Funds	245,022	451,605	92,670	237,046	632,195
Due to Teachers' Retirement System	1,297,530	1,449,073	1,294,021	1,432,407	1,620,871
Due to Employees' Retirement System	117,942	119,532	118,309	137,003	86,672
Deferred Revenue	-	-	-	-	-
Compensated Absences	49,514	52,255	52,641	59,838	59,959
TOTAL LIABILITIES	<u>\$ 2,197,064</u>	<u>\$ 2,788,924</u>	<u>\$ 1,868,032</u>	<u>\$ 2,742,199</u>	<u>\$ 2,958,492</u>
FUND EQUITY					
Nonspendable	\$ 898,705	\$ 935,865	\$ 1,038,195	\$ 1,062,006	\$ 912,742
Restricted	3,396,840	3,548,702	2,438,207	2,720,416	3,220,495
Assigned	1,909,370	2,578,100	2,158,163	2,511,817	2,551,759
Unassigned	3,286,511	3,311,653	3,529,824	3,581,375	3,606,138
TOTAL FUND EQUITY	<u>\$ 9,491,426</u>	<u>\$ 10,374,320</u>	<u>\$ 9,164,389</u>	<u>\$ 9,875,614</u>	<u>\$ 10,291,134</u>
TOTAL LIABILITIES & FUND EQUITY	<u>\$ 11,688,490</u>	<u>\$ 13,163,244</u>	<u>\$ 11,032,421</u>	<u>\$ 12,617,813</u>	<u>\$ 13,249,626</u>

Source: Audited financial reports of the School District. This Appendix is not itself audited.

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	\$ 17,354,087	\$ 17,849,404	\$ 18,768,823	\$ 19,496,950	\$ 19,956,424
Real Property Tax Items	3,479,320	3,332,110	3,028,384	2,875,966	2,712,342
Non-Property Tax Items	59,721	61,936	61,343	67,827	76,614
Charges for Services	50,179	96,727	102,458	96,195	100,273
Use of Money & Property	54,525	241,983	168,109	13,224	12,765
Sale of Property and					
Compensation for Loss	1,890	18,648	22,723	24,753	15,346
Miscellaneous	656,969	561,878	513,885	682,508	680,044
Revenues from State Sources	14,389,665	15,071,470	15,556,447	14,619,227	15,969,029
Revenues from Federal Sources	112,034	193,317	157,890	351,061	280,485
Total Revenues	<u>\$ 36,158,390</u>	<u>\$ 37,427,473</u>	<u>\$ 38,380,062</u>	<u>\$ 38,227,711</u>	<u>\$ 39,803,322</u>
Other Sources:					
Interfund Transfers	<u>297,482</u>	<u>72,303</u>	<u>32,965</u>	<u>89,150</u>	<u>145,143</u>
Total Revenues and Other Sources	<u>\$ 36,455,872</u>	<u>\$ 37,499,776</u>	<u>\$ 38,413,027</u>	<u>\$ 38,316,861</u>	<u>\$ 39,948,465</u>
EXPENDITURES					
General Support	\$ 2,937,271	\$ 3,063,085	\$ 3,475,676	\$ 3,176,321	\$ 3,363,711
Instruction	17,268,715	17,665,695	18,272,447	18,371,504	18,849,025
Pupil Transportation	1,902,979	1,898,407	1,772,278	1,538,724	2,064,006
Community Services	-	-	-	-	-
Employee Benefits	8,532,984	8,956,968	9,263,552	9,629,333	9,859,322
Debt Service	4,491,800	4,860,560	5,078,402	4,800,651	5,214,667
Total Expenditures	<u>\$ 35,133,749</u>	<u>\$ 36,444,715</u>	<u>\$ 37,862,355</u>	<u>\$ 37,516,533</u>	<u>\$ 39,350,731</u>
Other Uses:					
Interfund Transfers	<u>121,294</u>	<u>172,167</u>	<u>1,760,603</u>	<u>89,103</u>	<u>182,214</u>
Total Expenditures and Other Uses	<u>\$ 35,255,043</u>	<u>\$ 36,616,882</u>	<u>\$ 39,622,958</u>	<u>\$ 37,605,636</u>	<u>\$ 39,532,945</u>
Excess (Deficit) Revenues Over Expenditures	<u>1,200,829</u>	<u>882,894</u>	<u>(1,209,931)</u>	<u>711,225</u>	<u>415,520</u>
FUND BALANCE					
Fund Balance - Beginning of Year	8,290,597	9,491,426	10,374,320	9,164,389	9,875,614
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 9,491,426</u>	<u>\$ 10,374,320</u>	<u>\$ 9,164,389</u>	<u>\$ 9,875,614</u>	<u>\$ 10,291,134</u>

Source: Audited financial reports of the School District. This Appendix is not itself audited.

GENERAL FUND

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

Fiscal Years Ending June 30:					
		2022		2023	2024
	Adopted	Modified	Audited	Adopted	Adopted
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
REVENUES					
Real Property Taxes	\$ 19,795,592	\$ 19,795,592	\$ 19,956,424	\$ 23,127,966	\$ 23,688,313
Real Property Tax Items	2,875,965	2,875,965	2,712,342	-	-
Non-Property Tax Items	70,000	70,000	76,614	-	-
Charges for Services	47,700	47,700	100,273	-	-
Use of Money & Property	51,000	51,000	12,765	-	-
Sale of Property and					
Compensation for Loss	22,000	22,000	15,346	-	-
Miscellaneous	370,000	370,000	680,044	1,039,602	1,188,047
Revenues from State Sources	15,828,930	15,828,930	15,969,029	17,691,303	21,034,970
Revenues from Federal Sources	195,000	195,000	280,485	-	-
Total Revenues	<u>\$ 39,256,187</u>	<u>\$ 39,256,187</u>	<u>\$ 39,803,322</u>	<u>\$ 41,858,871</u>	<u>\$ 45,911,330</u>
Other Sources:					
Appropriated Fund Balance	2,511,817	2,511,817	-	2,291,121	1,099,221
Interfund Transfers	86,670	86,670	145,143	-	-
Total Revenues and Other Sources	<u>\$ 41,854,674</u>	<u>\$ 41,854,674</u>	<u>\$ 39,948,465</u>	<u>\$ 44,149,992</u>	<u>\$ 47,010,551</u>
EXPENDITURES					
General Support	\$ 3,884,800	\$ 3,890,889	\$ 3,363,711	\$ 3,959,669	\$ 4,441,050
Instruction	19,904,441	19,965,726	18,849,025	21,291,204	21,770,330
Pupil Transportation	2,244,863	2,289,870	2,064,006	2,213,951	2,370,080
Community Services	-	-	-	-	-
Employee Benefits	10,778,829	10,279,674	9,859,322	11,288,487	11,827,044
Debt Service	4,924,741	5,229,492	5,214,667	5,396,681	6,485,047
Total Expenditures	<u>\$ 41,737,674</u>	<u>\$ 41,655,651</u>	<u>\$ 39,350,731</u>	<u>\$ 44,149,992</u>	<u>\$ 46,893,551</u>
Other Uses:					
Interfund Transfers	117,000	199,023	182,214	-	117,000
Total Expenditures and Other Uses	<u>\$ 41,854,674</u>	<u>\$ 41,854,674</u>	<u>\$ 39,532,945</u>	<u>\$ 44,149,992</u>	<u>\$ 47,010,551</u>
Excess (Deficit) Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>415,520</u>	<u>-</u>	<u>-</u>
FUND BALANCE					
Fund Balance - Beginning of Year	-	-	9,875,614	-	-
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,291,134</u>	<u>\$ -</u>	<u>\$ -</u>

Source: Audited financial report and adopted budgets (unaudited) of the School District. This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2023	\$ 3,275,461	\$ 1,239,427	\$ 4,514,888
2024	3,398,033	1,111,003	4,509,036
2025	3,040,000	954,683	3,994,683
2026	3,080,000	813,039	3,893,039
2027	3,125,000	665,613	3,790,613
2028	1,785,000	512,781	2,297,781
2029	1,775,000	437,894	2,212,894
2030	1,850,000	361,394	2,211,394
2031	1,925,000	280,594	2,205,594
2032	2,010,000	196,450	2,206,450
2033	1,300,000	107,500	1,407,500
2034	850,000	42,500	892,500
TOTALS	\$ 27,413,494	\$ 6,722,877	\$ 34,136,371

CURRENT BONDS OUTSTANDING

BONDS FOR THE PURCHASE OF BUSES

Fiscal Year Ending 6/30	\$433,558 2017 SB Buses		\$435,142 2018 SB Buses		\$497,342 2019 SB Buses	
	10/15	10/15 & 4/15	10/15	10/15 & 4/15	10/15	10/15 & 4/15
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 90,000	\$ 956	\$ 90,000	\$ 4,050	\$ 100,000	\$ 4,463
2024	-	-	90,000	1,350	100,000	2,713
2025	-	-	-	-	105,000	919
2026	-	-	-	-	-	-
TOTAL	\$ 90,000	\$ 956	\$ 180,000	\$ 5,400	\$ 305,000	\$ 8,094

Fiscal Year Ending 6/30	\$497,342 2020 SB Buses		\$370,461 2022 SB Buses		\$370,461 2023 SB Buses	
	10/15	10/15 & 4/15	10/15	10/15 & 4/15	10/15	10/15 & 4/15
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 90,000	\$ 3,739	\$ 70,461	\$ 7,738	\$ -	\$ -
2024	90,000	2,726	75,000	6,581	73,033	17,052
2025	90,000	1,680	75,000	4,950	75,000	11,053
2026	95,000	570	75,000	3,038	75,000	8,100
2027	-	-	75,000	1,031	80,000	5,000
2028	-	-	-	-	85,000	1,700
TOTAL	\$ 365,000	\$ 8,715	\$ 370,461	\$ 23,338	\$ 388,033	\$ 42,905

BONDS FOR CAPITAL PROJECTS & REFUNDINGS

Fiscal Year Ending 6/30	\$24,385,000 2013 SB Capital Project (DASNY)		\$2,250,000 2016 Ref SB Refunding of 2009 Bonds		\$13,730,000 2020 SB Capital Project (DASNY)	
	10/16	10/15 & 4/15	3/15	3/15 & 9/15	6/15	12/15 & 6/15
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 1,645,000	\$ 575,081	\$ 385,000	\$ 31,400	\$ 805,000	\$ 612,000
2024	1,725,000	492,831	400,000	16,000	845,000	571,750
2025	1,810,000	406,581	-	-	885,000	529,500
2026	1,905,000	316,081	-	-	930,000	485,250
2027	1,995,000	220,831	-	-	975,000	438,750
2028	675,000	121,081	-	-	1,025,000	390,000
2029	700,000	99,144	-	-	1,075,000	338,750
2030	720,000	76,394	-	-	1,130,000	285,000
2031	745,000	52,094	-	-	1,180,000	228,500
2032	770,000	26,950	-	-	1,240,000	169,500
2032	-	-	-	-	1,300,000	107,500
2032	-	-	-	-	850,000	42,500
TOTAL	\$ 12,690,000	\$ 2,387,069	\$ 785,000	\$ 47,400	\$ 12,240,000	\$ 4,199,000

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 by the Rule) of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the 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 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 has agreed to provide, or cause to be provided, during the period in which the Notes are outstanding in a timely manner, to EMMA or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule, notice of its failure to provide the aforementioned material event notices, if any, on or before the date specified.

The District reserves the right to terminate its obligation to provide the aforementioned 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 OPINION OF BOND COUNSEL

June 27, 2023

Westhill Central School District
400 Walberta Road
Syracuse, New York 13219

Re: Westhill Central School District, Onondaga County, New York
\$21,775,000 Bond Anticipation Notes, 2023 CUSIP No.:

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$21,775,000 Bond Anticipation Notes, 2023 (the "Notes") of Westhill Central School District, County of Onondaga, State of New York (the "District"). The Notes are dated June 27, 2023 and are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law and Local Finance Law, resolutions of the District and a Certificate of Determination dated on or before June 27, 2023 of the President of the Board of Education relative to the form and terms of the Notes.

In our opinion, the Notes are valid and legally binding general obligations of the District for which the District has validly pledged its faith and credit and, unless paid from other sources, all taxable real property within the District is subject to levy of ad valorem real estate taxes to pay the Notes and interest thereon without limitation of rate or amount. The enforceability of rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereinafter enacted.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income under Section 103 of the Code. The President of the Board of Education of the District, in executing the Arbitrage and Use of Proceeds Certificate, has certified to the effect that the District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest on the Notes is excluded from gross income under Section 103 of the Code. We have examined such Arbitrage and Use of Proceeds Certificate of the District delivered concurrently with the delivery of the Notes, and, in our opinion, such certificate contains provisions and procedures under which such requirements can be met.

In our opinion, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Code, and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however for tax years beginning after December 31, 2022, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes.

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. We have not undertaken to determine or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Our engagement with respect to the Notes 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 and Use of Proceeds 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 Notes to be included in gross income for federal income tax purposes or adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. We call attention to the fact that the rights and obligations under the Notes and the Arbitrage and Use of Proceeds 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 New York municipal corporations such as the School District. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Notes has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. The opinions expressed herein 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 School District, together with other legally available sources of revenue, if any, will be sufficient to enable the School District to pay the principal of or interest on the Notes as the same respectively become due and payable. Reference should be made to the Official Statement for factual information, which, in the judgment of the School District would materially affect the ability of the School District to pay such principal and interest. We have not verified the accuracy, completeness or fairness of the factual information contained in the Official Statement and, accordingly, no opinion is expressed by us as to whether the School District, in connection with the sale of the Notes, 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 light of the circumstances under which they were made, not misleading.

We have examined the first executed Note of each said issue and, in our opinion, the form of said Note and its execution are regular and proper.

Very truly yours,

TRESPASZ & MARQUARDT, LLP

**WESTHILL CENTRAL SCHOOL DISTRICT
ONONDAGA COUNTY, NEW YORK**

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2022

Such Financial Report and opinions 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.

WESTHILL CENTRAL
SCHOOL DISTRICT



MANAGEMENT'S
DISCUSSION AND
ANALYSIS

AND

BASIC FINANCIAL
STATEMENTS

For the Year Ended
June 30, 2022

**WESTHILL CENTRAL SCHOOL DISTRICT
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D'Arcangelo & Co., LLP

Certified Public Accountants & Consultants

200 E. Garden St., P.O. Box 4300, Rome, N.Y. 13442-4300
315-336-9220 Fax: 315-336-0836

Independent Auditor's Report

Board of Education
Westhill Central School District, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Westhill Central School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Westhill Central School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Westhill Central School District, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

New Accounting Standard

As discussed in Notes 1 and 17 to the financial statements, the School District changed its accounting policies related to the accounting and reporting of leases by adopting the Governmental Accounting Standards Board's (GASB) Statement No. 87, *Leases*. The new pronouncement changes the criteria used, and provides guidance on accounting and reporting for leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Westhill Central School District's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis as required by the New York State Education Department and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2022, on our consideration of the Westhill Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Westhill 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 Westhill Central School District's internal control over financial reporting and compliance.

D'Arcangelo + Co., LLP

September 26, 2022

Rome, New York

**WESTHILL CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Year Ended June 30, 2022**

The Westhill Central School District's discussion and analysis of financial performance provides an overall review of the District's financial activities for the fiscal years ended June 30, 2022 and 2021. The intent of this discussion and analysis is to look at the District's financial performance as a whole. This should be read in conjunction with the financial statements, which immediately follow this section.

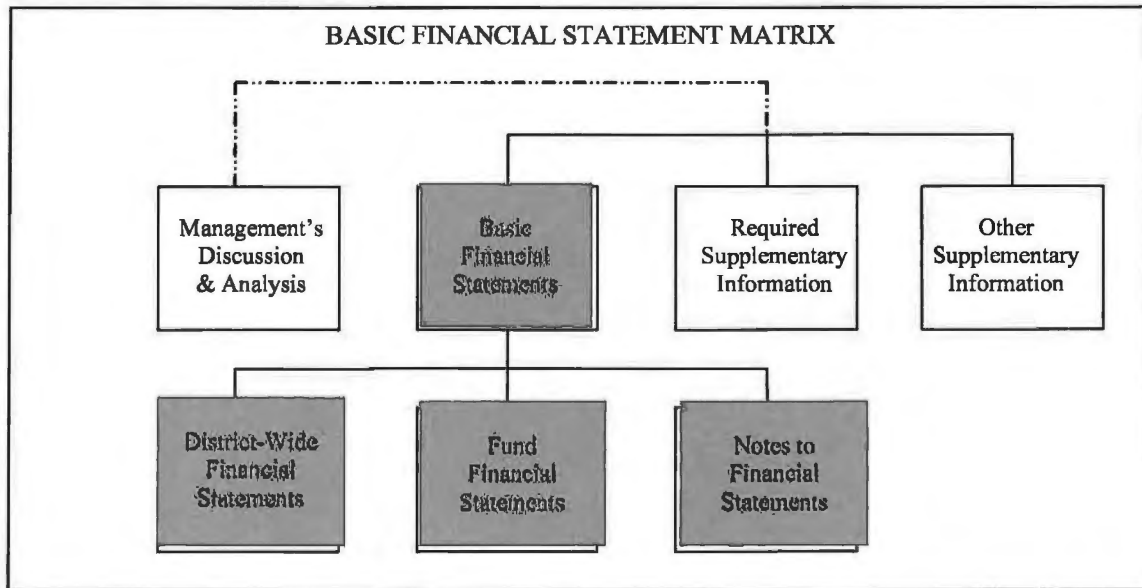
1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2022, are as follows:

- The District's total Net Position, as reflected in the District-wide financial statements, decreased by \$8,178,217.
- The District's expenses for the year, as reflected in the District-wide financial statements, totaled \$51,352,043. Of this amount, 6.4% or \$3,293,095 was offset by program charges for services and operating grants. General revenues of \$39,880,731 amount to 92.4% of total revenues. These revenues covered the remaining of program expenses leaving a decrease in net position of \$8,178,217.
- The General Fund's total fund balance, as reflected in the fund financial statements on pages 15 and 17, increased by \$415,520 to \$10,291,134. This was due to an unexpended appropriation General Fund budget of \$2,321,729 offset with excess revenues of 605,608 and an appropriated fund balance of \$2,511,817.
- State and Federal revenue increased by \$1,279,226 or approximately 8.5% in 2022. This was mainly due to a \$625,901 or 8% increase from State Foundation aid in the General Fund.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

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



**WESTHILL CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Year Ended June 30, 2022**

A. District-wide Financial Statements

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

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

The Statement of Net Position

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

The Statement of Activities

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

B. Fund Financial Statements

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

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

Governmental Funds

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

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

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

Fiduciary Funds

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

**WESTHILL CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Year Ended June 30, 2022**

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

The District's total Net Position decreased \$8,178,217 between fiscal year 2021 and 2022. A summary of the District's Statement of Net Position for June 30, 2022 and 2021, is as follows:

	<u>2022</u>	<u>(Restated) 2021</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Current and Other Assets	\$ 28,081,509	\$ 21,576,145	\$ 6,505,364	30.2%
Net Pension Asset - Proportionate Share	14,732,564		14,732,564	100.0%
Capital and Right to Use Assets, Net	<u>72,457,255</u>	<u>69,488,606</u>	<u>2,968,649</u>	4.3%
Total Assets	<u>115,271,328</u>	<u>91,064,751</u>	<u>24,206,577</u>	26.6%
Deferred Outflow of Resources	<u>25,862,619</u>	<u>28,026,663</u>	<u>(2,164,044)</u>	(7.7%)
Non-Current Liabilities	132,606,342	129,751,619	2,854,723	2.2%
Net Pension Liability - Proportionate Share		2,194,257	<u>(2,194,257)</u>	(100.0%)
Other Liabilities	<u>21,554,360</u>	<u>11,513,622</u>	<u>10,040,738</u>	87.2%
Total Liabilities	<u>154,160,702</u>	<u>143,459,498</u>	<u>10,701,204</u>	7.5%
Deferred Inflow of Resources	<u>24,535,548</u>	<u>5,016,002</u>	<u>19,519,546</u>	389.1%
Net Position				
Net Investment in Capital Assets	34,820,255	33,290,336	1,529,919	4.6%
Restricted	4,892,781	4,345,238	547,543	12.6%
Unrestricted (Deficit)	<u>(77,275,339)</u>	<u>(67,019,660)</u>	<u>(10,255,679)</u>	(15.3%)
Total Net Position (Deficit)	<u>\$ (37,562,303)</u>	<u>\$ (29,384,086)</u>	<u>\$ (8,178,217)</u>	(27.8%)

Current and Other assets increased by \$6,505,364, the increase was primarily because the District issued a BAN at the end of the current fiscal year for \$18,723,700, which increased both Cash and Cash Equivalents and Current Liabilities at the end of the fiscal year.

The net change in the proportionate share of net assets and/or liabilities and the amounts of deferred inflows and outflows resulted in an increase in financial position of \$363,893. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* – an amendment of GASB Statement No. 27 and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* – an amendment of GASB Statement No. 68, in 2015. This requires the inclusion of the District's proportionate share of net assets and/or liabilities in the New York State Teachers' Retirement System and Employees' Retirement Systems.

The accounting for Other Post Employment Benefit (OPEB) Liabilities resulted in a \$5,884,746 increase in the Non-Current Liabilities noted above. This increase was mainly due to a decrease in the discount rate used in the actuary's calculations from 2.21% to 2.14%. The OPEB changes also resulted in a decrease in deferred outflows by \$2,016,152 and an increase in deferred inflows by \$5,284,212.

The Net Position invested in capital and right to use assets is calculated by subtracting the amount of outstanding debt used for construction and leasing activity from the total cost of all asset acquisitions, net of accumulated depreciation and amortization. The total cost of these acquisitions and leases includes expenditures to purchase and/or lease land, construct and improve buildings and purchase vehicles, equipment and furniture to support District operations.

**WESTHILL CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Year Ended June 30, 2022**

The unrestricted Net Position at June 30, 2022, is a deficit of \$77,275,339, which represents the amount by which the District's liabilities, excluding debt related to capital construction and leases, exceeded the District's assets other than capital and right to use assets. This deficit is due to the \$100,680,343 OPEB liability at June 30, 2022. Since New York State Laws provide no mechanism for funding the liability, the subsequent accruals are expected to increase the deficit in subsequent years.

The restricted Net Position at June 30, 2022, is \$4,892,781, which represents the amount of the District's reserves and other restricted funds in the Debt Service.

B. Changes in Net Position

The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format in the accompanying financial statements. In the accompanying financial statements STAR (school tax relief) revenue is included in the other tax items line. However, in this MD&A, STAR revenue has been combined with property taxes. A summary of this statement for the years ended June 30, 2022 and 2021 is as follows.

Revenues	2022	2021	Increase (Decrease)	Percentage Change
Program Revenues				
Charges for Services	\$ 225,904	\$ 157,898	\$ 68,006	43.1%
Operating Grants	3,067,191	1,058,529	2,008,662	189.8%
General Revenues				
Property Taxes and STAR	22,668,766	22,372,916	295,850	1.3%
Nonproperty Tax Items	76,614	67,827	8,787	13.0%
State and Federal Sources	16,249,514	14,970,288	1,279,226	8.5%
Other	<u>885,837</u>	<u>812,739</u>	<u>73,098</u>	9.0%
Total Revenues	<u>43,173,826</u>	<u>39,440,197</u>	<u>3,733,629</u>	9.5%
Expenses				
General Support	5,817,076	3,897,567	1,919,509	49.2%
Instruction	39,547,781	25,728,578	13,819,203	53.7%
Pupil Transportation	3,993,687	2,159,282	1,834,405	85.0%
Debt Service-Unallocated Interest	1,065,527	1,364,382	(298,855)	(21.9%)
Food Service Program	<u>927,972</u>	<u>503,717</u>	<u>424,255</u>	84.2%
Total Expenses	<u>51,352,043</u>	<u>33,653,526</u>	<u>17,698,517</u>	52.6%
Total Change in Net Position	<u>\$ (8,178,217)</u>	<u>\$ 5,786,671</u>	<u>\$ (13,964,888)</u>	(241.3%)

The District's revenues increased by \$3,733,629 in 2022 or 9.5%. The major factors that contributed to the increase were:

- The District's 2021-2022 voter approved budget carried a property tax levy increase of 1.34%.
- State and Federal revenue increased by a net of \$1,279,226 or 8.5% in 2022. This was mainly due to a \$625,901 or 8% increase from State Foundation aid in the General Fund.
- Operating Grants increased \$2,008,662 mainly due to the School Lunch Fund's federal aid increasing \$573,031 due to rate increases and the Special Aid Fund's federal aid increasing \$1,330,234 due to increased grants in programs due to COVID-19.

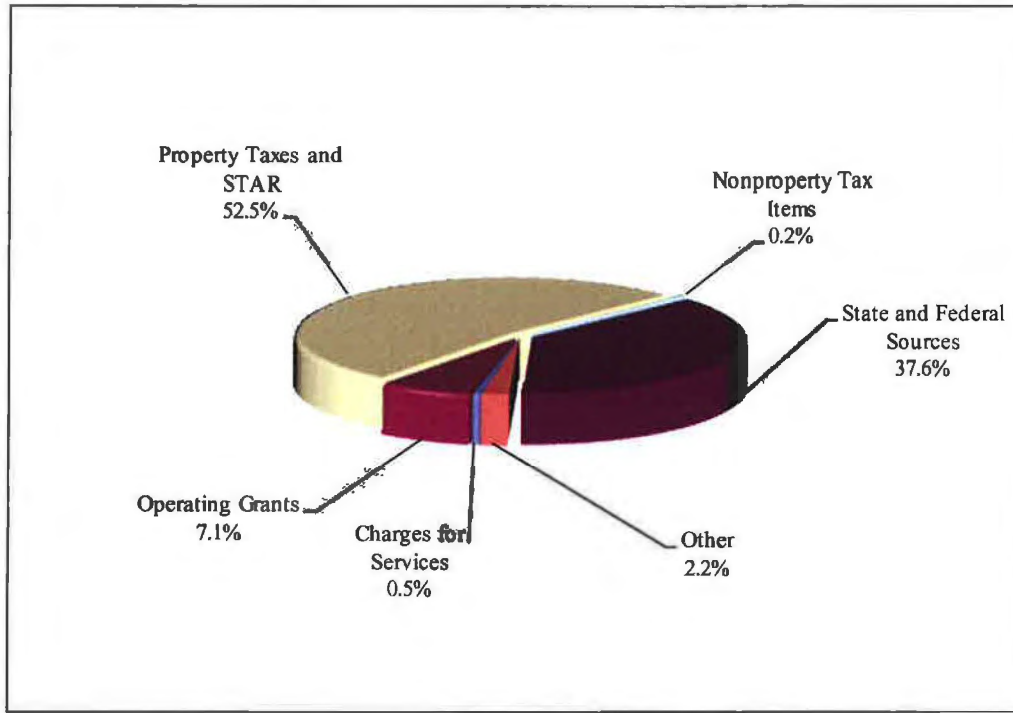
The District's expenses increased by \$17,698,517 in 2022 or 52.6%. The major factors that contributed to the increase were:

- The Expense for OPEB liability with deferred out/inflows was \$13,185,110, which was an increase of \$18,656,012 over the prior year. The increase was due to changes in actuarial assumptions.
- Offsetting the above increase was a decrease in expenses to the retirement systems of \$3,872,139 as a result of the District's net proportionate share in the New York State Employees' and Teachers' Retirement Systems.
- The expenses for the Food Service Program increased \$424,255 mainly for to increased prices for commodities and increased participation.

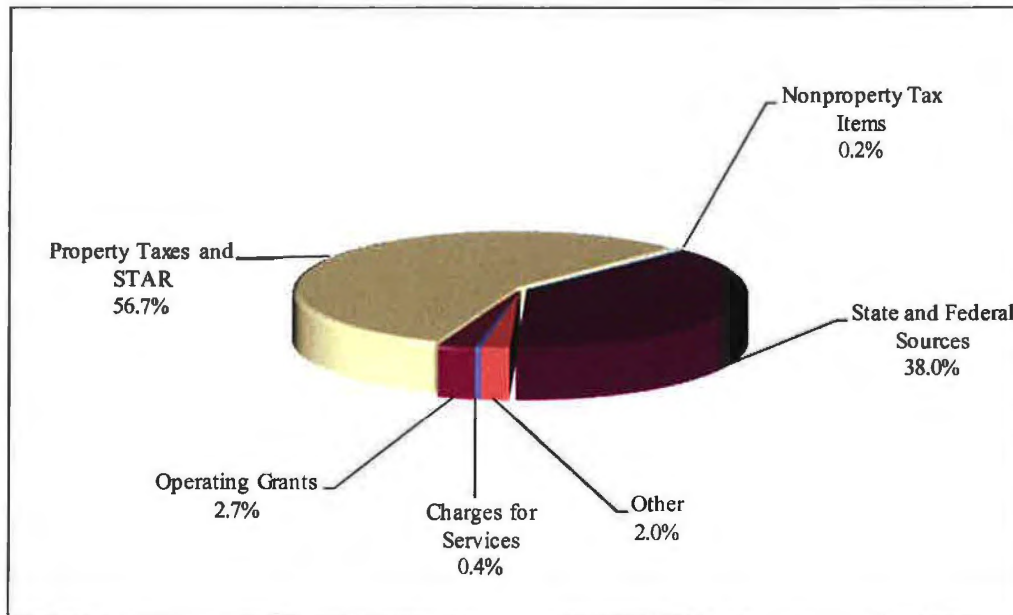
**WESTHILL CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Year Ended June 30, 2022**

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

For the Year Ended June 30, 2022



For the Year Ended June 30, 2021

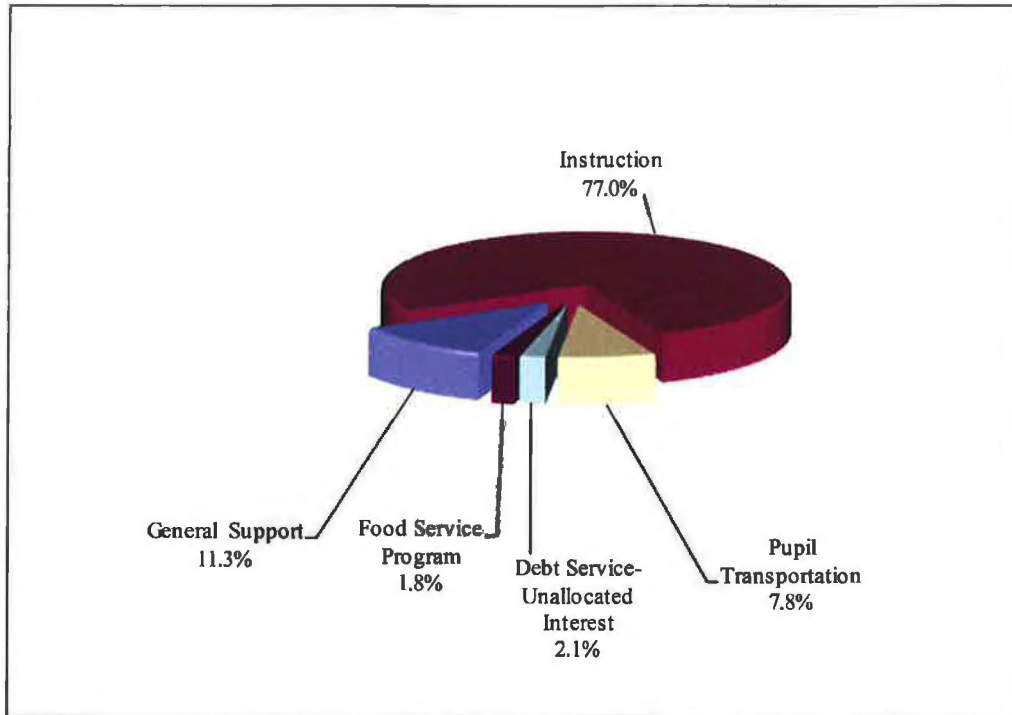


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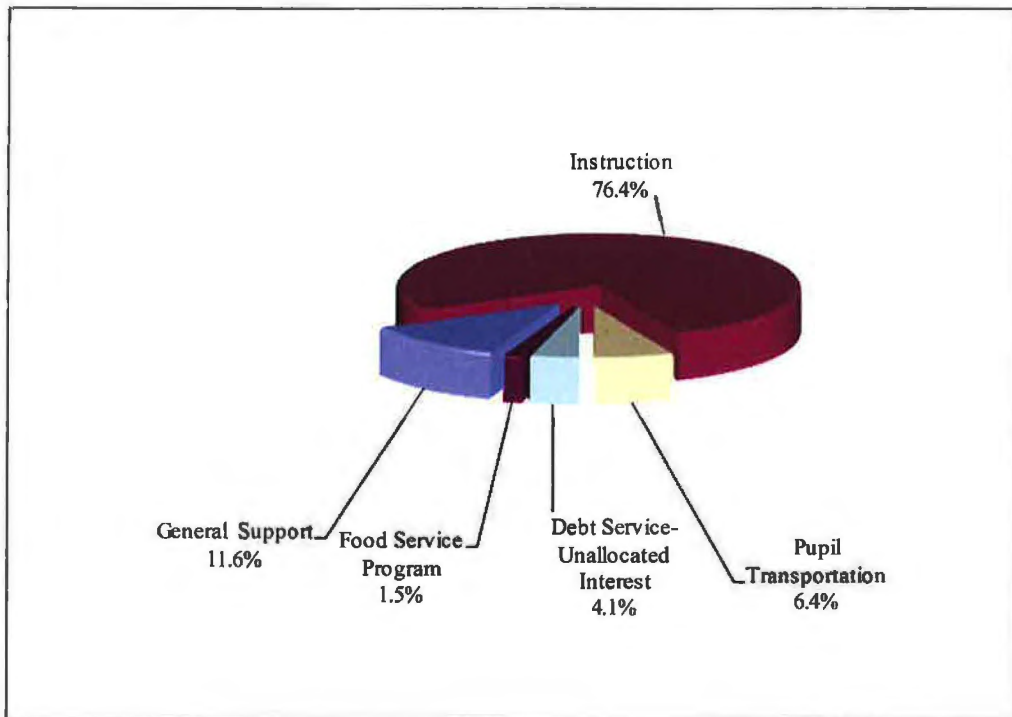
**WESTHILL CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Year Ended June 30, 2022**

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

For the Year Ended June 30, 2022



For the Year Ended June 30, 2021



See Independent Auditor's Report.

**WESTHILL CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Year Ended June 30, 2022**

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At June 30, 2022, the District's governmental funds reported a combined fund balance of \$6,761,196 which is a decrease of \$3,335,759 over the prior year. The decrease is due to the expenditures in the Capital Fund for which permanent financing is not scheduled to be obtained until a subsequent year. A summary of the change in fund balance by fund is as follows:

	Ending Balance	Beginning Balance	Difference
General Fund			
Nonspendable	\$ 912,742	\$ 1,062,006	\$ (149,264)
Restricted			
Employee Benefit Accrued Liability	238,660	238,630	30
Retirement Contribution	966,958	966,958	
Tax Certiorari	397,753	397,704	49
Unemployment Insurance	92,124	92,124	
Workers' Compensation	375,000	375,000	
Insurance	500,000	0	500,000
Capital Reserve	650,000	650,000	
Total Restricted	<u>3,220,495</u>	<u>2,720,416</u>	<u>500,079</u>
Assigned			
Appropriated for Subsequent Year's Budget	2,291,121	2,329,000	(37,879)
General Support	113,287	92,942	20,345
Instruction	147,351	89,875	57,476
Total Assigned	<u>2,551,759</u>	<u>2,511,817</u>	<u>39,942</u>
Unassigned	<u>3,606,138</u>	<u>3,581,375</u>	<u>24,763</u>
Total General Fund	<u>10,291,134</u>	<u>9,875,614</u>	<u>415,520</u>
School Lunch Fund			
Nonspendable	13,591	8,742	4,849
Assigned	<u>567,143</u>	<u>166,933</u>	<u>400,210</u>
Total School Lunch Fund	<u>580,734</u>	<u>175,675</u>	<u>405,059</u>
Special Aid Fund			
Unassigned (Deficit)	<u>(270,932)</u>	<u>(270,932)</u>	
Miscellaneous Special Revenue Fund			
Restricted	<u>21,978</u>	<u>19,970</u>	<u>2,008</u>
Debt Service Fund			
Restricted	<u>1,650,308</u>	<u>1,604,852</u>	<u>45,456</u>
Capital Fund			
Restricted		1,199,961	(1,199,961)
Unassigned (Deficit)	<u>(5,512,026)</u>	<u>(2,508,185)</u>	<u>(3,003,841)</u>
Total Capital Fund	<u>(5,512,026)</u>	<u>(1,308,224)</u>	<u>(4,203,802)</u>
Total	<u>\$ 6,761,196</u>	<u>\$ 10,096,955</u>	<u>\$ (3,335,759)</u>

The combined increase of \$500,079 to the General fund restricted fund balances for the year ending June 30, 2022, were mainly due to a transfer of \$500,000 to the Insurance Reserve.

**WESTHILL CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Year Ended June 30, 2022**

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2021-2022 Budget

The District's General fund adopted budget for the year ended June 30, 2022, was \$41,671,857. The budget was increased by \$182,817 due to carryover encumbrances from the prior year.

The budget was funded through a combination of revenues and designated fund balance. The majority of this funding source was \$19,795,592 in estimated property taxes and \$18,704,895 in estimated STAR and State Aid.

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

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

Opening, Unassigned Fund Balance	\$ 3,581,375
Revenues and Other Sources under Budget	(1,906,209)
Carryover Encumbrances from June 30, 2021	182,817
Expenditures under Budget	2,321,729
Encumbrances at June 30, 2022	(260,638)
Change to Assigned - Designated for Subsequent Year's Expenditures	37,879
Decrease to Nonspendable	149,264
Net Increase to Reserved Funds	<u>(500,079)</u>
Closing, Unassigned Fund Balance	<u>\$ 3,606,138</u>

Opening, Unassigned Fund Balance

The \$3,581,375 shown in the table is the portion of the District's June 30, 2021 fund balance that was retained unassigned. This was 8.6% of the District's 2021-2022 approved operating budget.

Revenues Over Budget

The 2021-2022 budget for revenues and transfers was \$39,342,857. The actual revenues and transfers received for the year were \$39,948,465. The actual revenue was under-estimated or budgeted revenue by \$605,608. This variance combined with a total appropriated reserves and fund balance of \$2,511,817, resulted in a total deficit of revenues and other sources totaling to \$1,906,209. This deficit contributes directly to the change to the unassigned portion of the General fund balance from June 30, 2021 to June 30, 2022.

Expenditures and Encumbrances Under Budget

The 2021-2022 budget for expenditures was \$41,854,674. The actual expenditures and encumbrances were \$39,793,583. The final budget was under expended by \$2,321,729, before encumbrances of \$260,638. This under expenditure contributes to the change to the unassigned portion of the General fund balance from June 30, 2021 to June 30, 2022.

Appropriated Fund Balance

The District has chosen to use \$2,291,121 of its available June 30, 2022, fund balance to partially fund its 2022-2023 approved operating budget. This amount was \$37,879 lower than the prior year.

Reserved Fund Balance

The District's reserve funds increased by \$500,079 in the General Fund for the year ending June 30, 2022. The increase is due to an increase of \$500,000 for the Insurance Reserve.

**WESTHILL CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Year Ended June 30, 2022**

Closing, Unreserved - Unassigned Fund Balance

Based upon the summary changes shown in the above table, the District will begin the 2022-2023 fiscal year with an unassigned fund balance of \$3,606,138. This is an increase of \$24,763 over the unassigned balance from the prior year. This was 8.2% of the District's approved operating budget for 2022-2023.

6. CAPITAL ASSET AND DEBT ADMINISTRATION

A. Capital Assets

At June 30, 2022, the District had invested in a broad range of capital assets, including land, buildings and improvements and equipment. The net increase in capital assets is due to capital additions less depreciation and amortization recorded for the year ended June 30, 2022. A summary of the District's capital assets, net of accumulated depreciation and amortization at June 30, 2022 and 2021, is as follows:

	2022	(Restated) 2021	Increase (Decrease)
Land	\$ 1,323,944	\$ 1,323,944	\$
Construction in Process	6,657,515	2,486,123	4,171,392
Land Improvements	3,669,747	3,952,943	(283,196)
Buildings	59,262,564	60,088,005	(825,441)
Vehicles, Furniture, and Equipment	883,690	951,566	(67,876)
Right To Use Leased Assets	659,795	686,025	(26,230)
Capital Assets, Net	<u>\$ 72,457,255</u>	<u>\$ 69,488,606</u>	<u>\$ 2,968,649</u>

B. Debt Administration

At June 30, 2022, the District had total bonds payable of \$27,025,461 which utilized 48.6% of the District's debt limit established by New York State Constitution. A summary of the outstanding debt at June 30, 2022 and 2021, is as follows:

Issue Date	Interest Rate	2022	2021	Increase (Decrease)
Serial Bonds				
08/16	2.00-4.00	\$ 785,000	\$ 1,155,000	\$ (370,000)
06/13	2.00-3.50%	12,690,000	14,255,000	(1,565,000)
11/16	0.75-2.50%		75,000	(75,000)
11/17	1.75-2.125%	90,000	180,000	(90,000)
10/18	3.00%	180,000	270,000	(90,000)
1/20	1.60-1.75%	305,000	405,000	(100,000)
12/20	1.125-1.20%	365,000	449,892	(84,892)
4/22	1.25-2.75%	370,461		370,461
06/20	5.00%	12,240,000	13,005,000	(765,000)
		<u>\$ 27,025,461</u>	<u>\$ 29,794,892</u>	<u>\$ (2,769,431)</u>

**WESTHILL CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Year Ended June 30, 2022**

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The budget for the 2022-23 school year was approved by the voters of the District on May 17, 2022. The approved budget of \$44,149,992 is an increase of \$2,478,134 or 5.9% from the 2021-22 budget and carries a tax levy increase of 2.01%. The tax levy increase is below the tax cap.

During the 2022-23 school year, the Westhill Central School District anticipates an increase of \$1,862,375 in State aid primarily due to the restoration of the NYS foundation aid formula.

The Westhill Central School District was allocated over \$3,400,000 from the Coronavirus Response and Relief Supplemental Appropriations Act and the American Rescue Plan. The district is currently entering its second year appropriating these monies. These monies must be used in the next one to two years respectively and are being used to address capital project work, learning loss and social and emotional learning. The District's applications for each have been approved by the NYS Education Department.

Voters also approved:

- the purchase of three 66-passenger buses, the total cost of the vehicles is not to exceed \$396,000;
- a \$1,250,000 capital project for partial roof replacements at Walberta Park and Cherry Road elementary schools.

The Westhill Central School District continues to operate under additional safety measures due to COVID-19; following county and state department of health and CDC guidelines.

8. CONTACTING THE DISTRICT

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

**Westhill Central School District
400 Walberta Road
Syracuse, New York 13219-2214**

WESTHILL CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2022

Assets	
Cash and Cash Equivalents	\$ 8,101,098
Restricted Cash and Cash Equivalents	17,450,955
Receivables	
Due from Other Governments	1,588,626
Other Receivables	14,497
Inventory	13,591
Prepaid Expenses	912,742
Net Pension Asset - Proportionate Share	14,732,564
Right to Use Leased Assets, Net	659,795
Capital Assets (Not Being Depreciated)	2,000,884
Capital Assets, Net	<u>69,796,576</u>
Total Assets	<u>115,271,328</u>
Deferred Outflow of Resources	
Deferred Outflow - OPEB	16,269,332
Deferred Outflow - Pensions	9,555,304
Deferred Charge on Refunding of Debt (Net of Amortization)	<u>37,983</u>
Total Deferred Outflow of Resources	<u>25,862,619</u>
Total Assets and Deferred Outflow of Resources	<u>\$ 141,133,947</u>
Liabilities	
Accounts Payable	\$ 49,829
Accrued Liabilities	231,200
Agency Liabilities	345,628
Retainage Payable	232,811
Due To	
Other Governments	217
Teachers' Retirement System	1,620,871
Employees' Retirement System	86,672
Short-Term Notes Payables	
Bond Anticipation Notes	18,723,700
Unearned Revenue	263,432
Noncurrent Liabilities	
Due Within One Year	3,910,413
Due in More Than One Year	<u>128,695,929</u>
Total Liabilities	<u>154,160,702</u>
Deferred Inflow of Resources	
Deferred Inflow - OPEB	6,223,028
Deferred Inflow - Pensions	<u>18,312,520</u>
Total Deferred Inflow of Resources	<u>24,535,548</u>
Total Liabilities and Deferred Inflow of Resources	<u>178,696,250</u>
Net Position	
Net Investment in Capital Assets	34,820,255
Restricted	4,892,781
Unrestricted (Deficit)	<u>(77,275,339)</u>
Total Net Position (Deficit)	<u>(37,562,303)</u>
Total Liabilities, Deferred Inflow of Resources, and Net Position	<u>\$ 141,133,947</u>

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

WESTHILL CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
General Support	\$ 5,817,076	\$	\$	\$ (5,817,076)
Instruction	39,547,781	100,273	2,145,468	(37,302,040)
Pupil Transportation	3,993,687			(3,993,687)
Debt Service - Unallocated Interest	1,065,527			(1,065,527)
Food Service	927,972	125,631	921,723	119,382
Total Functions/Programs	<u>\$ 51,352,043</u>	<u>\$ 225,904</u>	<u>\$ 3,067,191</u>	<u>(48,058,948)</u>
General Revenues				
Real Property Taxes				19,956,424
STAR and Other Real Property Tax Items				2,712,342
Nonproperty Tax Items				76,614
Use of Money and Property				13,518
Premiums on Debt				163,275
Sales of Property and Compensation for Loss				15,346
State and Federal Sources				16,249,514
Miscellaneous				<u>693,698</u>
Total General Revenues				<u>39,880,731</u>
Change in Net Position				<u>(8,178,217)</u>
Net Position (Deficit), Beginning of Year				(29,814,809)
Cumulative Effect of Change in Accounting Principle				<u>430,723</u>
Net Position (Deficit), Beginning of Year (Restated)				<u>(29,384,086)</u>
Net Position (Deficit), End of Year				<u>\$ (37,562,303)</u>

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

WESTHILL CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2022

	General	School Lunch	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital	Total
Assets							
Cash and Cash Equivalents	\$ 6,921,092	\$ 393,400	\$ 764,628	\$ 21,978	\$	\$	\$ 8,101,098
Restricted Cash and Cash Equivalents	3,220,495				1,650,211	12,580,249	17,450,955
Receivables							
Due from Other Governments	1,114,439	179,288	294,899				1,588,626
Due from Other Funds	1,071,460		673		97	631,522	1,703,752
Other Receivables	9,398	1,296	3,803				14,497
Inventory		13,591					13,591
Prepaid Expenses	912,742						912,742
Total Assets	<u>\$ 13,249,626</u>	<u>\$ 587,575</u>	<u>\$ 1,064,003</u>	<u>\$ 21,978</u>	<u>\$ 1,650,308</u>	<u>\$ 13,211,771</u>	<u>\$ 29,785,261</u>
Liabilities							
Payables							
Accounts Payable	\$ 43,162	\$ 6,624	\$ 43	\$	\$	\$	\$ 49,829
Accrued Liabilities	170,005						170,005
Agency Liabilities	345,628						345,628
Due To							
Other Governments		217					217
Other Funds	632,195		1,071,460			97	1,703,752
Teachers' Retirement System	1,620,871						1,620,871
Employees' Retirement System	86,672						86,672
Bond Anticipation Note Payable						18,723,700	18,723,700
Compensated Absences	59,959						59,959
Unearned Revenue			263,432				263,432
Total Liabilities	<u>2,958,492</u>	<u>6,841</u>	<u>1,334,935</u>			<u>18,723,797</u>	<u>23,024,065</u>
Fund Balances							
Nonspendable	912,742	13,591					926,333
Restricted	3,220,495			21,978	1,650,308		4,892,781
Assigned	2,551,759	567,143					3,118,902
Unassigned (Deficit)	<u>3,606,138</u>		<u>(270,932)</u>			<u>(5,512,026)</u>	<u>(2,176,820)</u>
Total Fund Balances (Deficit)	<u>10,291,134</u>	<u>580,734</u>	<u>(270,932)</u>	<u>21,978</u>	<u>1,650,308</u>	<u>(5,512,026)</u>	<u>6,761,196</u>
Total Liabilities and Fund Balances	<u>\$ 13,249,626</u>	<u>\$ 587,575</u>	<u>\$ 1,064,003</u>	<u>\$ 21,978</u>	<u>\$ 1,650,308</u>	<u>\$ 13,211,771</u>	<u>\$ 29,785,261</u>

WESTHILL CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCES
TO THE DISTRICT-WIDE NET POSITION
June 30, 2022

Total Governmental Fund Balances	\$ 6,761,196
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Amounts reported for governmental activities in the Statement of Net Position are different because:

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

Right to Use Leased Assets	1,344,811
Accumulated Amortization	(685,016)
Original Cost of Capital Assets	108,755,187
Accumulated Depreciation	<u>(36,957,727)</u>
	<u>72,457,255</u>

Proportionate share of long-term asset and liability associated with participation in state retirement system are not current financial resources or obligations and are not reported in the funds.

Net Pension Asset - Proportionate Share	14,732,564
Deferred Outflows - Pensions	9,555,304
Deferred Inflows - Pensions	<u>(18,312,520)</u>
	<u>5,975,348</u>

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

Bonds Payable	(27,025,461)
Lease liability	(251,221)
Deferred Charges on Advanced Refundings	37,983
Deferred Premiums on Bonds	(4,216,770)
Accrued Interest on Bonds Payable	(61,195)
Other Post Employment Benefit Liabilities	(100,680,343)
Deferred Outflows - OPEB	16,269,332
Deferred Inflows - OPEB	(6,223,028)
Retainage Payable	(232,811)
Compensated Absences Payable	<u>(372,588)</u>
	<u>(122,756,102)</u>

Total Net Position (Deficit)	\$ <u>(37,562,303)</u>
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WESTHILL CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

	General	School Lunch	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital	Total
Revenues							
Real Property Taxes	\$ 19,956,424	\$	\$		\$	\$	\$ 19,956,424
STAR and Other Real Property Tax Items	2,712,342						2,712,342
Nonproperty Tax Items	76,614						76,614
Charges for Services	100,273						100,273
Use of Money and Property	12,765				753		13,518
Sale of Property and Compensation for Loss	15,346						15,346
Miscellaneous	680,044	3,336	6,810	3,508			693,698
State Aid	15,969,029	16,163	124,828				16,110,020
Federal Aid	280,485	905,560	2,020,640				3,206,685
School Lunch Sales		125,631					125,631
Total Revenues	39,803,322	1,050,690	2,152,278	3,508	753		43,010,551
Expenditures							
General Support	3,363,711					4,994,314	8,358,025
Instruction	18,849,025		2,152,278	1,500			21,002,803
Pupil Transportation	2,064,006					370,461	2,434,467
Food Service Program		606,167					606,167
Employee Benefits	9,859,322	13,085					9,872,407
Debt Service - Principal	3,752,463						3,752,463
Debt Service - Interest	1,462,204						1,462,204
Total Expenditures	39,350,731	619,252	2,152,278	1,500		5,364,775	47,488,536
Excess (Deficit) Revenues Over Expenditures	452,591	431,438		2,008	753	(5,364,775)	(4,477,985)
Other Financing Sources (Uses)							
Proceeds of Debt						370,461	370,461
Proceeds of Lease Debt						248,490	248,490
BANs Redeemed from Appropriations						360,000	360,000
Premium on Debt					163,275		163,275
Transfers from Other Funds	145,143	192				182,022	327,357
Transfers to Other Funds	(182,214)	(26,571)			(118,572)		(327,357)
Total Other Financing Sources (Uses)	(37,071)	(26,379)			44,703	1,160,973	1,142,226
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources	415,520	405,059		2,008	45,456	(4,203,802)	(3,335,759)
Fund Balances (Deficit), Beginning of Year	9,875,614	175,675	(270,932)	19,970	1,604,852	(1,308,224)	10,096,955
Fund Balances (Deficit), End of Year	\$ 10,291,134	\$ 580,734	\$ (270,932)	\$ 21,978	\$ 1,650,308	\$ (5,512,026)	\$ 6,761,196

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

**WESTHILL CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES AND
EXPENDITURES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022**

Net Changes in Fund Balance - Total Governmental Funds	\$	(3,335,759)
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Capital Outlays to construct, purchase, or lease capital or right to use assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their useful lives as depreciation and amortization expenses in the statement of activities. This is the amount by which capital outlays exceeded depreciation and amortization and loss on disposal in the period.

Amorization Expense	(279,085)	
Depreciation Expense	(2,384,722)	
Capital and Right to Use Lease Outlays	<u>5,632,456</u>	2,968,649

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of activities. The repayment reduces long-term liabilities.

Issuance of Serial Bonds	(370,461)	
Issuance of Lease	(248,490)	
Amortization of Premium on Bonds Issued	407,154	
Amortization of Deferred Charges on Advanced Refundings	(18,992)	
Repayment of Lease	252,571	
Repayment Bond Principal	<u>3,139,892</u>	3,161,674

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

Accrued Interest on Serial Bonds	8,515	
Compensated Absences	(150,522)	
Retainage Percentage Payable	(208,251)	
OPEB Liability with Deferred Inflows and Outflows	<u>(13,185,110)</u>	(13,535,368)

(Increases) decreases in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.

Teachers' Retirement System	2,229,664	
Employees' Retirement System	<u>332,923</u>	<u>2,562,587</u>

Change in Net Position Governmental Activities	\$	<u>(8,178,217)</u>
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The Accompanying Notes are an Integral Part of These Financial Statements.

WESTHILL CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2022

	Custodial Fund
Assets	
Cash and Cash Equivalents - Restricted	\$ 129,080
Total Assets	<u>\$ 129,080</u>
Net Position	
Restricted for Extraclassroom Activities	\$ 129,080
Total Net Position	<u>\$ 129,080</u>

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

WESTHILL CENTRAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2022

	<u>Custodial Fund</u>
Additions	
Extraclassroom - Receipts	\$ 143,038
Real Property Tax Collected for Library	<u>194,800</u>
Total Additions	<u>337,838</u>
Deductions	
Extraclassroom - Disbursements	137,898
Real Property Tax Paid to Library	<u>194,800</u>
Total Deductions	<u>332,698</u>
Change in Net Position	5,140
Net Position, Beginning of Year	<u>123,940</u>
Net Position, End of Year	<u>\$ 129,080</u>

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

**WESTHILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

The School District is governed by the laws of New York State. The School District is an independent entity governed by an elected Board of Education consisting of 5 members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the School District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal members.

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

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

(a) Extraclassroom Activity Funds

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

Joint Venture

The School District is one of 24 component districts in Onondaga-Cortland-Madison Board of Cooperative Education Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

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

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

Financial statements for the BOCES are available from the BOCES' administrative office at OCM BOCES, 6820 Thompson Rd, Syracuse, NY 13221.

**WESTHILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

Basis of Presentation

(a) District-Wide Statements

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

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

(b) Fund Financial Statements

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

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

Special Revenue Funds:

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

School Lunch Fund: This fund is used to account for and report transactions of the School District's lunch and breakfast programs.

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

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

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

(c) Fiduciary Funds

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

WESTHILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

Custodial Funds: These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the School District as agent for various student groups and tax collections for independent libraries within the District.

Measurement Focus and Basis of Accounting

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

The School District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year.

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

Accrued Liabilities and Long-Term Obligations

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

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

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Estimates

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

WESTHILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

Cash and Cash Equivalents

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

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

Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1. Taxes are collected during the period September 1 to October 31. The County of Onondaga subsequently enforces uncollected real property taxes. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the School District no later than the following April 1.

Receivables

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

Interfund Transactions

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

The amounts reported on the Statement of Net Position for due to and due from other funds represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the interfund transactions during the year ended June 30, 2022, is shown in Note 14 to the financial statements.

Capital Assets

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

The School District uses capitalization thresholds of \$1,000, (the dollar value above which asset acquisitions are added to the capital asset accounts for grouped like assets or individual assets). Depreciation methods and estimated useful lives of capital assets reported in the District-Wide statements are as follows:

	<u>Lives</u>	<u>Depreciation Method</u>
Land Improvements	20 Years	Straight Line
Building and Improvements	20-50 Years	Straight Line
Furniture, Equipment, and Vehicles	5-20 Years	Straight Line
Intangibles	3 Years	Straight Line

Right to Use Leased Assets

The School District has recorded right to use lease assets as a result of implementing GASB 87 -Leases. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term. The right to use assets are amortized on a straight-line basis over the life of the related lease, which range from 3-5 years.

WESTHILL CENTRAL SCHOOL DISTRICT
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Inventories

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

Purchases of inventory items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount.

Deferred Outflow of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has three 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 proportion share of total contributions to the pension systems not included in pension expense. In addition, this item includes the District contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date. The third item relates to OPEB reporting in the district wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (ERS and TRS Systems) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

Vested Employee Benefits – Compensated Absences

The School District employees are granted vacation in varying amounts, based primarily on length of service and service position.

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

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

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

Other Benefits

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

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if District employees are eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the District and the retired employee. Other postemployment benefit costs are measured and disclosed using the accrual basis of accounting (see Note 10).

**WESTHILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

Short-Term Debt

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 to be converted to long-term financing within five years after the original issue date.

Unearned Revenue

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

Equity classifications

(a) District-Wide Financial Statements

In the District-Wide statements there are three classes of Net Position:

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

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

Unrestricted Net Position – reports all other Net Position that do not meet the definition of the above two classifications and are deemed to be available for general use by the District.

(b) Fund Statements

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

Non-spendable

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

Restricted Resources

This category includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. Generally, the District's policy is to use restricted resources only when appropriated by the Board of Education. When an expenditure is incurred for purposes for which both restricted and unrestricted Net Position are available, the School District's policy concerning which to apply first varies with the intended use, and with associated legal requirements. The School District has established the following restricted fund balances:

• ***Reserve for Employee Benefit Accrued Liability***

The purpose of this account is to reserve funds for the payment of any accrued employee benefit due an employee upon termination service. This reserve fund may be established by a majority vote of the board of education and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the General Fund.

• ***Reserve for Employees' Retirement Contribution***

The Retirement Contribution Reserve Fund (GML §6-r) (Chapter 260 of the NYS Laws of 2004) is used to reserve funds for the payment of retirement contributions to the New York State and Local Employees' Retirement System. This reserve was established by a Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. A detailed report of the operation and condition of the fund must be provided to the Board. The Board adopted a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During

**WESTHILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, not to exceed a total of 10%. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r. This reserve is accounted for in the General Fund.

- ***Reserve for Tax Certiorari***

This reserve is used to accumulate funds to pay judgments and claims resulting from tax certiorari proceedings. Voter approval is not required provided that the monies held do not exceed the anticipated needs of the School District. If no voter approval is obtained, then any excess monies must be returned to the General Fund on or before the first day of the fourth fiscal year after the deposit of the monies. This reserve is accounted for in the General Fund.

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

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

- ***Unemployment Insurance Reserve***

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

- ***Insurance Reserve***

According to General Municipal Law §6-n, all expenditures made from the insurance reserve fund must be used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve; however, the annual contribution to this reserve may not exceed the greater of \$33,000 or 5% of the budget. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval. This reserve is accounted for in the General Fund.

- ***Capital Reserves***

The Capital Reserve is used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the people at any special or annual meeting. Such authorization is further required for payments from the capital reserve. The form of 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 Section 3651 of Education Law. This reserve is accounted for in the General Fund.

- On October 8, 2015, the voters authorized a new \$650,000 capital reserve with 12-year probable term for the eventual replacement of the turf field.

- ***Debt Service***

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

**WESTHILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

- ***Reserve for Endowments and Scholarships***

This reserve is used to account for various endowment and scholarship awards. This reserve is accounted for in the Miscellaneous Special Revenue Fund.

Unrestricted Resources

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

- ***Committed*** - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision-making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2022.
- ***Assigned*** – Includes amounts that are constrained by the School District’s intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by (a) the Board of Education or (b) the designated official, such as the District’s Purchasing Agent, to which the Board has delegated the authority to assign amounts to be used for specific purposes. All encumbrances, other than capital fund, are classified as Assigned Fund Balance in the applicable fund. The amount appropriated for the subsequent year’s budget of the General fund is also classified as Assigned Fund Balance in the General Fund.
- ***Unassigned*** – Includes all other fund Net Position that do not meet the definition of the above four classifications and are deemed to be available for general use by the School District. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the respective fund.

New Accounting Standards

Effective July 1, 2021, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. GASB Statement No. 87 enhances the relevance and consistency of information of the District’s leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

Future Changes in Accounting Standards

GASB has issued Statement No. 96 - Subscription-Based Information Technology Arrangements, effective for the year ending June 30, 2023. The District will evaluate the impact this pronouncement may have on its financial statements and will implement it as applicable and when material.

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

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

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

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

Statement of Revenues, Expenditures, and Changes in Fund Balance Compared to Statement of Activities

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

**WESTHILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

(a) 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.

(b) Capital Related Differences

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

(c) Long-Term Debt Transaction Differences

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

(d) 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.

(e) Pension differences

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

(f) Employee Benefit Allocation

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

3. STEWARDSHIP AND COMPLIANCE

General Fund – Statutory Unassigned Fund Balance Limit

The School District's unreserved, undesignated fund balance was over the New York State Real Property Tax Law §1318 limit, which restricts it to an amount not greater than 4% of the School District's budget for the upcoming school year. At June 30, 2022, the School District's unreserved, unassigned fund balance was 8.2% of the 2022-2023 budget.

Budgetary Procedures and Budgetary Accounting

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

The voters of the School 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) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. 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. No supplemental appropriations occurred during the year.

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

**WESTHILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

Change from Adopted Budget to Revised Budget

Adopted Budget	\$ 41,671,857
Add: Prior Year's Encumbrances	<u>182,817</u>
Original Budget	<u>41,854,674</u>
Final Budget	<u>\$ 41,854,674</u>

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 generally presented as assigned fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

NYS Real Property Tax Cap

Chapter 97 of the Laws of 2011 established a property tax levy limit (generally referred to as the tax cap) that restricts the amount of property taxes local governments (including school districts) can levy. The tax levy for the 2021-2022 school year was within the NYS Tax Cap Limit. The excess, including interest earned, must be deducted from the prior year levy to begin the calculation of the coming year's tax levy limit.

4. PARTICIPATION IN BOCES

During the year ended June 30, 2022, the District was billed \$3,311,568 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$1,516,333. Financial statements for the BOCES are available from the BOCES administrative office.

During the year ended June 30, 2022, the School District issued no debt on behalf of BOCES. However, in prior years, the BOCES issued \$17,505,000 in Revenue Lease Bonds with the Dormitory Authority of the State of New York (DASNY). These bonds will be repaid by the component districts of the BOCES as a lease payment included in the administrative budget of the BOCES over the term of the bonds. The bonds have scheduled principal payments and the outstanding balance at June 30, 2022, was \$16,480,000.

5. CUSTODIAL AND CONCENTRATION OF CREDIT RISK

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

As of June 30, 2022, the School District's total bank balances of \$21,551,641 were entirely collateralized or insured by the Federal Insurance Deposit Corporation. Of this amount, \$1,000,000 of the deposits were covered by FDIC and \$20,551,641 of the deposits were collateralized with securities held by the pledging financial institution or in its trust department or an agent in the School District's name.

As of June 30, 2022, the School District's restricted cash consisted of the following:

	Debt			
	General	Service	Capital	Total
Employee Benefit Accrued Liability Reserve	\$ 238,660	\$	\$	\$ 238,660
Employees' Retirement Contribution Reserve	966,958			966,958
Tax Certiorari Reserve	397,753			397,753
Unemployment Insurance Reserve	92,124			92,124
Workers' Compensation Reserve	375,000			375,000
Insurance Reserve	500,000			500,000
Debt Service		1,650,211		1,650,211
Capital Project	<u>650,000</u>		<u>12,580,249</u>	<u>13,230,249</u>
Total Restricted	<u>\$ 3,220,495</u>	<u>\$ 1,650,211</u>	<u>\$ 12,580,249</u>	<u>\$ 17,450,955</u>

WESTHILL CENTRAL SCHOOL DISTRICT
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For the Year Ended June 30, 2022

Investment Pool

The BOCES participates in a multi-municipal cooperation investment pool agreement pursuant to New York State General Municipal Law Article 5-G, Section 119-o, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

The following amounts are included as unrestricted cash equivalents:

Fund	Cost	Fair Value
General Fund	\$ 6,009,579	\$ 6,009,579

The above amounts represent the cost of the investment pool share and are considered to approximate market value. The investment pool is categorically exempt from the New York State collateral requirements. The Investment Pool issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report may be obtained by writing to MBIA/CLASS, 113 King Street, Albany, New York 10504.

6. CAPITAL AND RIGHT TO USE LEASED ASSETS

Capital asset activity for the year ended June 30, 2022, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 1,323,944	\$	\$	\$ 1,323,944
Construction in Progress	2,486,123	4,668,472	497,080	6,657,515
Total	3,810,067	4,668,472	497,080	7,981,459
Capital Assets Being Depreciated				
Land Improvements	7,080,336			7,080,336
Buildings and Improvements	85,501,170	823,070		86,324,240
Furniture, Equipment and Vehicles	7,100,183	385,139	254,688	7,230,634
Intangibles	138,518			138,518
Total	99,820,207	1,208,209	254,688	100,773,728
Accumulated Depreciation				
Land Improvements	3,127,393	283,196		3,410,589
Buildings and Improvements	26,503,921	1,648,511		28,152,432
Furniture, Equipment and Vehicles	5,057,861	453,015	254,688	5,256,188
Intangibles	138,518			138,518
Total	34,827,693	2,384,722	254,688	36,957,727
Net Capital Assets Being Depreciated	64,992,514	(1,176,513)		63,816,001
Net Capital Assets	\$ 68,802,581	\$ 3,491,959	\$ 497,080	\$ 71,797,460

Depreciation expense was allocated to governmental functions as follows:

<u>Function/Program</u>	
General Support	\$ 238,472
Instruction	1,788,542
Pupil Transportation	238,472
School Lunch	119,236
Total Depreciation	<u>\$ 2,384,722</u>

Right to use leased asset activity for the year ended June 30, 2022, is as follows:

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NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

	(Restated) Beginning Balance	Additions	Deletions	Ending Balance
Right to Use Leased Assets				
Leased Equipment	1,425,310	252,855	333,354	1,344,811
Accumulated Amortization				
Leased Equipment	<u>739,285</u>	<u>279,085</u>	<u>333,354</u>	<u>685,016</u>
Net Right To Use Assets	<u>\$ 686,025</u>	<u>\$ (26,230)</u>	<u>\$</u>	<u>\$ 659,795</u>

Amortization expense of \$279,085 is charged solely to instruction.

7. SHORT-TERM NOTES PAYABLE

<u>Payable From/Description</u>	Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate (%)	Outstanding Amount
General Fund					
Reconstruction and Renovation	6/28/22	\$ 18,723,700	6/28/23	4.00	<u>\$ 18,723,700</u>

The School District had Bond Anticipation Note (BAN) activity for the year ended June 30, 2022, as follows:

<u>Description</u>	Outstanding Beginning Balance	Issued	Paid	Outstanding Ending Balance
Governmental Activities				
Reconstruction and Renovation	<u>\$ 8,950,000</u>	<u>\$ 10,133,700</u>	<u>\$ 360,000</u>	<u>\$ 18,723,700</u>

Total interest for the year was as follows:

Interest Paid	<u>\$ 89,500</u>
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8. NONCURRENT LIABILITIES

Noncurrent liability balances and activity are as follows:

<u>Description</u>	Outstanding Beginning Balance	Prior Period Adjustment	Additions	Deletions	Outstanding Ending Balance	Due Within One Year
Governmental Activities						
Bonds Payable	\$ 29,794,892		\$ 370,461	\$ (3,139,892)	\$ 27,025,461	\$ 3,275,461
Unamortized Premium	<u>4,623,924</u>			<u>(407,154)</u>	<u>4,216,770</u>	<u>407,154</u>
	34,418,816		370,461	(3,547,046)	31,242,231	3,682,615
Lease Liability		255,302	248,490	(252,571)	251,221	167,839
OPEB Liability	94,795,597		7,782,200	(1,897,454)	100,680,343	
Compensated Absences	<u>281,904</u>			<u>150,643</u>	<u>432,547</u>	<u>59,959</u>
Total Governmental Activities	<u>\$ 129,496,317</u>	<u>\$ 255,302</u>	<u>\$ 8,401,151</u>	<u>\$ (5,546,428)</u>	<u>\$ 132,606,342</u>	<u>\$ 3,910,413</u>

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

WESTHILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
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of the capital assets. The long-term liabilities are full faith and credit debt of the local government. The provision to be made in the General Fund's future budgets for capital indebtedness represents the amount exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

Total interest for the year was as follows:

Interest Paid - Serial Bonds	\$ 1,365,524
Interest Paid - Lease Liability	7,180
Amortized Deferred Charge on Advance Refunding	18,992
Amortized Premiums on Bonds	(407,154)
Less: Interest Accrued in the Prior Year	(69,710)
Plus: Interest Accrued in the Current Year	<u>61,195</u>
Total Interest Expense on Long-Term Debt	<u>\$ 976,027</u>

The following is a statement of serial bonds outstanding:

Description	Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate (%)	Outstanding Amount
Refunding 2009	08/16	\$ 2,250,000	03/24	2.00-4.00	\$ 785,000
School Improvements	06/13	\$ 24,385,000	06/32	2.00-3.50	12,690,000
Bus Bond 2018	11/17	\$ 433,558	10/22	1.75-2.125	90,000
Bus Bond 2019	10/18	\$ 435,142	10/23	3.00	180,000
Bus Bond 2020	01/20	\$ 497,642	10/24	1.60-1.75	305,000
Bus Bond 2021	12/20	\$ 449,892	10/25	1.125-1.20	365,000
Bus Bond 2022	04/22	\$ 370,461	10/26	1.25-2.75	370,461
2020 DASNY Bond	06/20	\$ 13,730,000	06/34	5.00	12,240,000
					<u>\$ 27,025,461</u>

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

For the Year Ending June 30,	Serial Bonds			Lease Payables		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 3,275,461	\$ 1,239,427	\$ 4,514,888	\$ 167,839	\$ 2,794	\$ 170,633
2024	3,325,000	1,093,951	4,418,951	83,382	625	84,007
2025	2,965,000	943,630	3,908,630			
2026	3,005,000	804,939	3,809,939			
2027	3,045,000	660,613	3,705,613			
2028-2032	9,260,000	1,787,412	11,047,412			
2033-2034	2,150,000	150,000	2,300,000			
Total	<u>\$ 27,025,461</u>	<u>\$ 6,679,972</u>	<u>\$ 33,705,433</u>	<u>\$ 251,221</u>	<u>\$ 3,419</u>	<u>\$ 254,640</u>

Prior-Year Defeasance of Debt

In prior years, the School District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School District's financial statements. On June 30, 2022, \$815,000 of bonds outstanding are considered defeased.

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Special Provisions Affecting Remedies Upon Default

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

Unamortized Premium

The original issue premiums on bonds has been deferred and recorded as an addition to long-term liabilities on the District-wide financial statements. The premiums are being amortized using the straight-line method over 8 to 19 years, the remaining time to maturity of the respective bond issue. The current year amortization is \$407,154 and is included as a reduction to interest expense on the statement of activities.

Deferred Premium from Refunding of Debt	\$ 6,414,493
Less: Amount Recognized	<u>(2,197,723)</u>
Unamortized Premium	<u>\$ 4,216,770</u>

Deferred Outflows of Resources

The cost of issuing the serial bonds has been capitalized and recorded as a deferred outflow on the District-wide financial statements. The cost is being amortized using the straight-line method over 5 years, the remaining time to maturity of the bonds. The current year amortization is \$18,992 and is included as an addition to interest expense on the statement of activities.

Deferred Charge from Refunding of Debt	\$ 279,705
Less: Accumulated Amortization	<u>(241,722)</u>
Net Capitalized Refunding of Debt Costs	<u>\$ 37,983</u>

Lease Liability

The District has entered into agreements with the BOCES and other vendors to lease certain equipment such as copiers and other technology equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of the inception of the agreements. The agreements were executed on various dates ranging from July 26, 2018 to August 8, 2021 and are for a term of 3 years. Annual lease payments for these agreements range from \$84,008 to \$89,118. The lease liability is measured at a discount rate of 2.23% which is stated in the lease agreements. As a result of these leases, the District has recorded a right to use asset with a net book value of \$496,918 at June 30, 2022. The District has made some lump sum payments at the beginning of certain lease agreements and thus there are right to use assets with a net book value of \$162,877 at June 30, 2022 with no corresponding lease liability.

Compensated Absences

Compensated absences represent the value of earned and unused portion of the liability for compensated absences.

9. PENSION PLANS

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

(a) Plan Description

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

The Net Position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School

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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.

(b) Contributions

The System is noncontributory for employees who joined prior to July 28, 1976. For employees who joined after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary for the first ten years of membership. Employees who joined on or after January 1, 2010 are required to contribute 3% of their annual salary for their entire working career. Under the authority of the RSSL, the Comptroller certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. All required contributions for the NYSERS fiscal year ended March 31, 2022, were paid.

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

	Amount
2020	\$ 458,563
2021	\$ 491,038
2022	\$ 548,014

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

At June 30, 2022, the School District reported an asset of \$724,729 for its proportionate share of the net pension liability (asset). The net pension asset was measured as of March 31, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The School District's proportion of the net pension asset was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2022 and 2021, the School District's proportion was .0088656% and 0.0094354% respectively.

For the year ended June 30, 2022, the School District recognized pension expense of \$90,924. At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

\$86,672 was reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/liability in the year ended June 30, 2022.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 54,885	\$ 71,189
Change of assumptions	1,209,492	20,409
Net difference between projected and actual earnings on Pensions plan investments		2,373,185
Changes in proportion and differences between contributions and proportionate share of contributions	169,644	85,046
Contributions subsequent to the measurement date	<u>86,672</u>	
Total	<u>\$ 1,520,693</u>	<u>\$ 2,549,829</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year Ended June 30,	Amount
2023	\$ (140,730)
2024	\$ (244,501)
2025	\$ (605,175)
2026	\$ (125,402)
2027	\$ 0
Thereafter	\$ 0

(d) Actuarial Assumptions

The total pension liability at March 31, 2022 was determined by using an actuarial valuation as of April 1, 2021, with update procedures used to roll forward the total pension liability to March 31, 2022. The actuarial valuation used the following actuarial assumptions.

Significant actuarial assumptions used in the April 1, 2021 valuation are as follows:

Investment rate of return (net of investment expense, including inflation)	5.90%
Cost of Living Adjustments	1.40%
Salary scale	4.40%
Inflation rate	2.70%

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020.

The actuarial assumptions used in the April 1, 2021 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	32%	3%
International equity	15%	6%
Private equity	10%	7%
Real estate	9%	5%
Opportunistic/ARS portfolio	3%	4%
Credit	4%	4%
Real assets	3%	6%
Fixed income	23%	0%
Cash	1%	-1%
	100%	

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

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(e) Discount Rate

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

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

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

	Decrease (4.9%)	Assumption (5.9%)	Increase (6.9%)
Proportionate share of the Net Pension liability (assets)	\$ 1,865,446	\$ (724,729)	\$ (2,891,286)

(g) Pension Plan Fiduciary Net Position

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

(h) Payables to the Pension Plan

The School District has recorded an amount due to ERS in amount of \$86,672 at June 30, 2022. This amount represents the three months of the School District's fiscal year that will be covered in the ERS 2022-2023 billing cycle and has been accrued as an expenditure in the current year.

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

(a) Plan Description

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

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

(b) Contributions

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

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

	<u>Amount</u>
2020	\$ 1,213,381
2021	\$ 1,329,162
2022	\$ 1,439,100

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

At June 30, 2022, the School District reported a net asset of \$14,007,835 for its proportionate share of the net pension liability(asset). The Net Pension Asset was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The School District's proportion of the net pension asset was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2021 and 2020, the School District's proportion was 0.080834% and 0.079068% respectively.

For the year ended June 30, 2022, the School District recognized a pension expense of \$811,470. At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,930,831	\$ 72,777
Changes of assumptions	4,607,470	815,915
Net difference between projected and actual earnings on Pensions plan investments		14,660,648
Changes in proportion	57,210	213,351
Contributions subsequent to the measurement date	<u>1,439,100</u>	
Total	<u>\$ 8,034,611</u>	<u>\$ 15,762,691</u>

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

<u>Year ended June 30:</u>	<u>Amount</u>
2021	\$ (1,816,649)
2022	\$ (2,148,141)
2023	\$ (2,714,644)
2024	\$ (3,573,169)
2025	\$ 628,754
Thereafter	\$ 456,669

(d) Actuarial Assumptions

The total pension liability at June 30, 2021 measurement date was determined by using an actuarial valuation as of June 30, 2020, with update procedures used to roll forward the total pension liability to June 30, 2021. The actuarial valuation used the following actuarial assumptions.

Significant actuarial assumptions used in the June 30, 2020 valuation were as follows:

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

<u>Service</u>	<u>Rate</u>
5	5.18%
15	3.64%
25	2.50%
35	1.95%

Projected COLAs 1.30% compounded annually.
Inflation rate 2.40%

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2020, applied on a generational basis. Active member mortality rates are based on plan member experience.

The actuarial assumptions were based on the results of an actuarial experience study for the period of July 1, 2015 and June 30, 2020.

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

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the valuation date of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Domestic equity	33.0%	6.8%
International equity	16.0%	7.6%
Global equity	4.0%	7.1%
Real estate equity	11.0%	6.5%
Private equity	8.0%	10.0%
Domestic fixed income	16.0%	1.3%
Global bonds	2.0%	0.8%
Private debt	1.0%	5.9%
Real estate debt	7.0%	3.3%
High-yield bonds	1.0%	3.8%
Cash equivalents	1.0%	-0.2%
	<u>100.0%</u>	

* Real rates of return are net of the long-term inflation assumption of 2.4% for 2021.

(e) Discount Rate

The discount rate used to calculate the total pension asset/liability at June 30, 2021 was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from school districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future

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benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease 5.95%	Current Assumption 6.95%	1% Increase 7.95%
Proportionate share of the Net Pension liability (assets)	\$ (1,469,918)	\$ (14,007,835)	\$ (24,545,044)

(g) Pension Plan Fiduciary Net Position

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

(h) Payables to the Pension Plan

The School District has recorded an amount due to TRS in amount of \$1,439,100 in the General Fund, net of the employees portion at June 30, 2022. This amount represents employer contributions for the 2021-2022 fiscal year that will be made in 2022-2023 and has been accrued as an expenditure in the current year.

10. POSTEMPLOYMENT HEALTH CARE BENEFITS

(a) Plan Description

The School District administers the Westhill Retiree Medical Plan (the Plan) as a single-employer defined benefit Other Postemployment Benefit plan. The plans are single-employer defined benefit OPEB plans administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board.

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

The Plan provides for continuation of medical insurance benefits for certain retirees and their spouses and can be amended by action of the School District subject to applicable collective bargaining and employment agreements as follows:

- Administrators - Employees are eligible when they are at least 55 years old and have at least 10 years of service with the District. Eligible retirees contribute between 0% to 25% depending on the years of service on the date of retirement.
- Teachers - Employees hired prior to March 21, 2011 are eligible when they are at least 55 years old and have at least 5 years of service. Employees hired after to March 21, 2011 are eligible when they are at least 55 years old and have at least 10 years of service. Eligible employees earn 5% per year of service with the District. They may earn up to a maximum of 85%. Eligible retirees contribute between 15% to 100% depending on the years of service on the date of retirement.
- Non-instructional - Employees must have worked full-time with the District for 17 years. Depending on the number of years of service the District will contribute 50% to 85% and 35% to 75% for the employees' spouse.
- Transportation - Employees must be 55 and have worked full-time with the District for 15 years. Depending on the number of years of service the District will contribute a flat rate from \$1,125 to \$1,300 for individual coverage and from \$1,950 to \$2,300 for family. For retirees with over 30 years of service with the District, the District will pay 85% of the premium.

WESTHILL CENTRAL SCHOOL DISTRICT
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(b) Benefits Provided

The School District provides medical and prescription drug benefits to its eligible retirees. Dental, vision, and life insurance benefits are available with select classes of employees. The benefit levels, employee contributions and employer contributions are governed by the School District's contractual agreements. The Plans can be amended by action of the School District through agreements with the bargaining units.

(c) Employees Covered by Benefit Terms

	<u>Total</u>
Inactive employees currently receiving benefit payments	184
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>320</u>
Total	<u><u>504</u></u>

(d) Total OPEB Liability

The District's total OPEB liability of \$100,680,343 was measured as of July 01, 2021 and was determined by an actuarial valuation as of July 1, 2020.

(e) Changes in the Net OPEB Liability

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

	<u>Total OPEB Liability</u>
Balances, June 30, 2021	<u>\$ 94,795,597</u>
Changes recognized for the year:	
Service cost	4,368,127
Interest on Total OPEB Liability	2,170,552
Change in assumptions and other inputs	1,243,521
Benefit payments	<u>(1,897,454)</u>
Net changes	<u>5,884,746</u>
Balances, June 30, 2022	<u><u>\$ 100,680,343</u></u>

(h) 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 or 1 percentage point higher than the current discount rate:

	1% Decrease <u>1.14%</u>	Current Assumption <u>2.14%</u>	1% Increase <u>3.14%</u>
Total OPEB liability	\$ 120,488,294	\$ 100,680,343	\$ 84,971,849

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(i) 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 (8.00 declining to 3.94 percent) or 1 percentage point higher (9.00 percent declining to 4.94 percent) than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Current Assumption</u>	<u>1% Increase</u>
Total OPEB liability	\$ 82,244,978	\$ 100,680,343	\$ 125,002,520

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

(j) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the District recognized OPEB expense of \$6,744,678. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,179,365	\$ 3,211,660
Changes of assumptions	13,080,399	3,011,368
Contributions subsequent to the measurement date	<u>2,009,568</u>	<u></u>
Total	<u>\$ 16,269,332</u>	<u>\$ 6,223,028</u>

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

Year Ended June 30:	<u>Amount</u>
2023	\$ 205,999
2024	\$ 1,112,469
2025	\$ 2,446,539
2026	\$ 2,961,549
2027 and Thereafter	\$ 1,310,180

(f) Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2020 rolled forward to July 1, 2021 the measurement date. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

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Actuarial Assumptions

Valuation Date	July 1, 2020
Measurement Date	July 1, 2021
Reporting Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal - Level Percent of Pay
Plan Type	Single Employer Defined Benefit Plan
Inflation rate	2.40%
Healthcare Cost Trend Rates	8.00 to 3.94%
Discount Rate	2.14%
Mortality - Actives	The RPH-2014 Mortality Table for employees, sex distinct, with generational mortality adjusted to 2006 using scale MP-2014, and projected forward with scale MP-2020
Mortality - Retirees	The RPH-2014 Mortality Table for Healthy Annuitants, sex distinct, with generational mortality adjusted to 2006 using scale MP-2014, and projected forward with scale MP-2020

Changes to Assumptions and Other Inputs

Changed the discount rate from 2.21% to 2.14%. The discount rates are inputs taken from the rate for a year high-quality tax-exempt municipal bond index as of each measurement date.

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

11. RISK MANAGEMENT

General Information

The School District is exposed to various risks of loss related to tax certioraris, torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. Except for tax certiorari, 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. Sufficient reserves exist to cover any unfavorable settlements of the tax certiorari. The School District continues to carry commercial insurance for all other risks of loss, including general liability and employee health and accident insurance.

Workers' Compensation Pool

Westhill Central School District participates with 24 other school districts in the Onondaga-Cortland-Madison Workers' Compensation Consortium. Entities joining the plan must remain members for a minimum of one year; a member may withdraw from the plan after that time by submitting a notice of withdrawal 30 days prior to the plan's year end. Plan members are subject to a supplemental assessment in the event of deficiencies. If the plan's assets were to be exhausted, members would be responsible for the plan's liabilities. The plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the plan as direct insurer of the risks reinsured. The plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims' costs depend on complex factors, the process used in computing claims' liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred but not reported. Adjustments to claims' liabilities are charged or credited to expense in the periods in which they are made. The Consortium is a shared-risk public entity risk pool, whereby each district pays annual premiums based on the expected aggregate claims for all enrollees. Paid claims are also accounted for in the aggregate with individual district activity not being traced separately. Due to this arrangement, a possible contingent liability exists for Westhill Central School District as a result of the possibility that any participating school district may have actual claims less than the annual premium and try to recover its portion due to it through the Consortium participants. During the current year, the School District paid \$253,432 in net fees.

**WESTHILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022**

12. FUND BALANCE

(a) The following is a summary of the change in General fund restricted reserve funds during the year ended June 30, 2022:

	Beginning Balance	Increases	Decreases	Ending Balance
Restricted				
General Fund				
Employee Benefit Accrued Liability	\$ 238,630	\$ 30	\$	\$ 238,660
Retirement Contribution	966,958			966,958
Tax Certiorari	397,704	49		397,753
Unemployment Insurance	92,124			92,124
Workers' Compensation	375,000			375,000
Insurance		500,000		500,000
Capital Reserve	650,000			650,000
Total General Fund Restricted	<u>\$ 2,720,416</u>	<u>\$ 500,079</u>	<u>\$</u>	<u>\$ 3,220,495</u>

(b) The following is the disaggregation of the fund balance that is reported in summary on the Governmental Fund's Balance Sheet at June 30, 2022:

	General	School Lunch	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital	Total
Nonspendable	\$ 912,742	\$ 13,591	\$	\$	\$	\$	\$ 926,333
Restricted							
Employee Benefit Accrued Liability Reserve	238,660						238,660
Employees' Retirement Contribution Reserve	966,958						966,958
Tax Certiorari Reserve	397,753						397,753
Unemployment Insurance Reserve	92,124						92,124
Insurance Reserve	500,000						500,000
Workers' Compensation Reserve	375,000						375,000
Debt Service					1,650,308		1,650,308
Capital Reserve	650,000						650,000
Scholarships				21,978			21,978
Total Restricted	<u>3,220,495</u>			<u>21,978</u>	<u>1,650,308</u>		<u>4,892,781</u>
Assigned							
General Support	113,286						113,286
Instruction	147,352						147,352
School Lunch		567,143					567,143
Appropriated for Subsequent Year's Budget	2,291,121						2,291,121
Total Assigned	<u>2,551,759</u>	<u>567,143</u>					<u>3,118,902</u>
Unassigned (Deficit)	<u>3,606,138</u>		<u>(270,932)</u>			<u>(5,512,026)</u>	<u>(2,176,820)</u>
Total Fund Equity (Deficit)	<u>\$ 10,291,134</u>	<u>\$ 580,734</u>	<u>\$ (270,932)</u>	<u>\$ 21,978</u>	<u>\$ 1,650,308</u>	<u>\$ (5,512,026)</u>	<u>\$ 6,761,196</u>

WESTHILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

13. CONTINGENCIES AND COMMITMENTS

Potential Grantor Liability

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

Litigation

The School District is a defendant in tax certiorari cases in which the plaintiffs seek a reduction in assessment and refund on real property taxes paid. The potential loss at June 30, 2022 ranged from \$1,889,000 to \$920,000. Since the amount is not considered probable, no amount has been recorded as a payable.

Encumbrances

Encumbrance accounting is employed as an extension of formal budgetary integration for the General Fund, special revenue funds, and capital projects funds. At June 30, 2022, certain amounts which were previously restricted, committed, or assigned for specific purposes have been encumbered in the governmental funds. The General Fund encumbrances are reflected as part of the assigned fund balance. The other encumbrances are not reflected on the fund financial statements because the assignment would result in a negative unassigned fund balance. Significant encumbrances included in governmental fund balances are as follows:

	<u>General</u>
Encumbrances	
General Support	\$ 113,287
Instruction	<u>147,351</u>
Total Encumbrances	<u>\$ 260,638</u>

14. INTERFUND TRANSACTIONS

The following is a summary of the Interfund Transactions for the year ended June 30, 2022:

Fund Type	Interfund		Interfund	
	Receivables	Payables	Revenues	Expenditures
General	\$ 1,071,460	\$ 632,195	\$ 145,143	\$ 182,214
School Lunch			192	26,571
Special Aid	673	1,071,460		
Debt Service	97			118,572
Capital Fund	<u>631,522</u>	<u>97</u>	<u>182,022</u>	
Total	<u>\$ 1,703,752</u>	<u>\$ 1,703,752</u>	<u>\$ 327,357</u>	<u>\$ 327,357</u>

- The Interfund receivables and payables exist for cash flow purposes. The balances are considered current and expected to be repaid during the next fiscal year.
- The District transferred \$26,571 from the School Lunch Fund to the General Fund to reimburse prior expenditures.
- The District transferred \$182,022 from the General Fund to the Capital Fund to finance capital projects.
- The District also transferred \$118,572 from the Debt Service Fund to the General Fund to offset related debt service payments.

WESTHILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

15. Net Position Deficit – District-Wide

The District-wide Net Position had total net position deficit of \$37,562,303. The deficit is primarily the result of the implementation of GASB Statement 75, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions," which required the recognition of an unfunded liability of \$100,680,343 at June 30, 2022. Since New York State Laws provide no mechanism for funding the liability, the subsequent accruals are expected to increase the deficit in subsequent years.

16. Fund Balance Deficits

The Capital Projects Fund had a deficit fund balance of \$5,512,026. This will be funded when the District obtains permanent financing for its current construction project.

The Special Aid Fund had a deficit fund balance of \$270,932. The deficit is the result of receivables that were not considered available to meet current expenditures until after the District's measurement period. The deficit will be funded when the grant funds are received in the subsequent year.

17. CUMULATIVE EFFECT OF IMPLEMENTING NEW ACCOUNTING STANDARD

The following adjustments were made to the prior year's net position and fund balance due to the implementation of GASB 87, Accounting for Leases:

Net Position Beginning of Year, As Previously Stated	\$ (29,814,809)
GASB Statement No. 87 Implementation:	
Net Book Value Leased Asset	686,025
Lease Liability	<u>(255,302)</u>
Prior Period Adjustment	<u>430,723</u>
Net Position Beginning of Year, As Restated	<u>\$ (29,384,086)</u>

WESTHILL CENTRAL SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual		Final Budget Variance With Actual
Revenues					
Local Sources					
Real Property Taxes	\$ 19,795,592	\$ 19,795,592	\$ 19,956,424	\$	160,832
Other Real Property Tax Items	2,875,965	2,875,965	2,712,342		(163,623)
Nonproperty Tax Items	70,000	70,000	76,614		6,614
Charges for Services	47,700	47,700	100,273		52,573
Use of Money and Property	51,000	51,000	12,765		(38,235)
Sale of Property and Compensation for Loss	22,000	22,000	15,346		(6,654)
Miscellaneous	370,000	370,000	680,044		310,044
State Aid	15,828,930	15,828,930	15,969,029		140,099
Federal Aid	195,000	195,000	280,485		85,485
Total Revenues	39,256,187	39,256,187	39,803,322		547,135
Other Financing Sources					
Transfers from Other Funds	86,670	86,670	145,143		58,473
Appropriated Fund Balance	2,511,817	2,511,817			(2,511,817)
Total Revenues and Other Financing Sources	\$ 41,854,674	\$ 41,854,674	39,948,465	\$	(1,906,209)
Expenditures					
General Support					
Board of Education	\$ 17,043	\$ 17,068	14,816	\$ 39	\$ 2,213
Central Administration	258,883	258,883	248,209	494	10,180
Finance	479,260	486,612	478,349	567	7,696
Staff	123,770	122,482	86,948		35,534
Central Services	2,705,485	2,705,485	2,273,928	112,187	319,370
Special Items	300,359	300,359	261,461		38,898
Total General Support	3,884,800	3,890,889	3,363,711	113,287	413,891
Instruction					
Instruction, Administration, and Improvement	1,417,862	1,509,347	1,462,214	7,567	39,566
Teaching - Regular School	10,279,563	10,415,345	9,762,875	95,001	557,469
Programs for Children With Special Needs	4,458,701	4,458,701	4,265,480	10,865	182,356
Occupational Education	244,825	244,825	255,411		(10,586)
Teaching - Special School	56,785	56,785			56,785
Instructional Media	1,366,423	1,131,168	1,074,430	20,084	36,654
Pupil Services	2,080,282	2,149,555	2,028,615	13,834	107,106
Total Instruction	19,904,441	19,965,726	18,849,025	147,351	969,350
Pupil Transportation	2,244,863	2,289,870	2,064,006		225,864
Employee Benefits	10,778,829	10,279,674	9,859,322		420,352
Debt Service - Principal	3,354,892	3,752,463	3,752,463		
Debt Service - Interest	1,569,849	1,477,029	1,462,204		14,825
Total Expenditures	41,737,674	41,655,651	39,350,731	260,638	2,044,282
Other Financing Uses					
Transfers to Other Funds	117,000	199,023	182,214		16,809
Total Expenditures and Other Financing Uses	\$ 41,854,674	\$ 41,854,674	39,532,945	\$ 260,638	\$ 2,061,091
Net Change in Fund Balances			415,520		
Fund Balances - Beginning of Year			9,875,614		
Fund Balances - End of Year			<u>\$ 10,291,134</u>		

Notes to Required Supplementary Information:

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

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

WESTHILL CENTRAL SCHOOL DISTRICT
SCHEDULES OF FUNDING PROGRESS OF OTHER POSTEMPLOYMENT BENEFITS
For the Year Ended June 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018 *</u>
Measurement Date	7/1/2021	7/1/2020	7/1/2019	7/1/2018	7/1/2017
Total OPEB Liability					
Service cost	\$ 4,368,127	\$ 2,272,970	\$ 2,572,203	\$ 2,795,686	\$ 3,658,677
Interest on Total OPEB Liability	2,170,552	2,630,960	3,046,231	2,917,455	2,533,750
Change in assumptions and other inputs	1,243,521	16,232,791	(674,242)	2,329,444	(11,535,281)
Changes in benefit terms		(38,162)	(6,334,082)		
Differences between expected and actual experience in the measurement of the total OPEB liability		1,719,119		(8,350,320)	
Benefit payments	(1,897,454)	(1,838,784)	(1,870,373)	(1,720,061)	(1,594,439)
Net change in total OPEB Liability	<u>5,884,746</u>	<u>20,978,894</u>	<u>(3,260,263)</u>	<u>(2,027,796)</u>	<u>(6,937,293)</u>
Total OPEB Liability - Beginning	<u>94,795,597</u>	<u>73,816,703</u>	<u>77,076,966</u>	<u>79,104,762</u>	<u>86,042,055</u>
Total OPEB Liability - Ending	<u>\$ 100,680,343</u>	<u>\$ 94,795,597</u>	<u>\$ 73,816,703</u>	<u>\$ 77,076,966</u>	<u>\$ 79,104,762</u>
 Covered payroll	 \$ 16,022,105	 \$ 15,335,969	 \$ 14,928,549	 \$ 14,471,422	 \$ 13,925,036
Total OPEB Liability as a percentage of covered payroll	628%	618%	494%	533%	568%

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

Notes to Required Supplementary Information:

The District has net assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay OPEB benefits. The District currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis.

Actuarial Assumptions

The actuarial methods and assumptions used to calculate the total OPEB liability are described in Note 10 to the financial statements.

Changes to Assumptions -

Lowered the discount rate from 2.21% to 2.14%. The discount rates are inputs taken from the rate for a 20-year high-quality tax-exempt municipal bond index as of each measurement date.

WESTHILL CENTRAL SCHOOL DISTRICT
SCHEDULE OF LOCAL GOVERNMENT PENSION CONTRIBUTIONS
For the Year Ended June 30, 2022

ERS Pension Plan

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 548,014	\$ 491,038	\$ 458,563	\$ 487,980	\$ 466,252	\$ 460,120	\$ 456,995	\$ 560,578	\$ 574,857	\$ 587,504
Contributions in Relation to the Contractually Required Contribution	<u>548,014</u>	<u>491,038</u>	<u>458,563</u>	<u>487,980</u>	<u>466,252</u>	<u>460,120</u>	<u>456,995</u>	<u>560,578</u>	<u>574,857</u>	<u>587,504</u>
Contribution Deficiency (Excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
School District's Covered-ERS Employee Payroll	\$ 3,540,115	\$ 3,480,906	\$ 3,287,761	\$ 3,381,731	\$ 3,233,779	\$ 3,121,255	\$ 3,119,522	\$ 3,165,499	\$ 3,107,721	\$ 3,483,226
Contributions as a Percentage of Covered-Employee Payroll	15.48%	14.11%	13.95%	14.43%	14.42%	14.74%	14.65%	17.71%	18.50%	16.87%

TRS Pension Plan

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 1,439,100	\$ 1,329,162	\$ 1,213,381	\$ 1,385,559	\$ 1,232,639	\$ 1,359,267	\$ 1,564,412	\$ 2,063,493	\$ 1,895,017	\$ 1,412,917
Contributions in Relation to the Contractually Required Contribution	<u>1,439,100</u>	<u>1,329,162</u>	<u>1,213,381</u>	<u>1,385,559</u>	<u>1,232,639</u>	<u>1,359,267</u>	<u>1,564,412</u>	<u>2,063,493</u>	<u>1,895,017</u>	<u>1,412,917</u>
Contribution Deficiency (Excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
School District's Covered-TRS Employee Payroll	\$ 14,684,694	\$ 13,947,133	\$ 13,695,045	\$ 13,046,695	\$ 12,577,949	\$ 11,597,841	\$ 11,797,979	\$ 11,771,209	\$ 11,661,643	\$ 11,933,421
Contributions as a Percentage of Covered-Employee Payroll	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%	16.25%	11.84%

See Independent Auditor's Report.

WESTHILL CENTRAL SCHOOL DISTRICT
SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY)
For the Year Ended June 30, 2022

ERS Pension Plan

	2022	2021	2020	2019	2018	2017	2016	2015 *
District's proportion of the net pension liability (asset)	0.008866%	0.009435%	0.009638%	0.010201%	0.010078%	0.009994%	0.010129%	0.010465%
District's proportionate share of the net pension liability (asset)	\$ (724,729)	\$ 9,395	\$ 2,638,477	\$ 722,789	\$ 325,259	\$ 939,030	\$ 1,625,803	\$ 353,524
District's covered-employee payroll	\$ 3,540,115	\$ 3,480,906	\$ 3,287,761	\$ 3,381,731	\$ 3,233,779	\$ 3,121,255	\$ 3,119,522	\$ 3,165,499
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-20.47%	00.27%	80.25%	21.37%	10.06%	30.09%	52.12%	11.17%
Plan fiduciary net position as a percentage of total pension assets	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

TRS Pension Plan

	2021	2020	2019	2018	2017	2016	2015	2014 *
District's proportion of the net pension liability (asset)	0.080834%	0.079068%	0.075963%	0.075236%	0.075583%	0.076456%	0.078299%	0.078813%
District's proportionate share of the net pension liability (asset)	\$ (14,007,835)	\$ (2,184,862)	\$ 1,973,513	\$ 1,360,463	\$ 574,509	\$ (818,879)	\$ 8,132,801	\$ 8,779,306
District's covered-employee payroll	\$ 13,947,133	\$ 13,695,045	\$ 13,046,695	\$ 12,577,949	\$ 11,597,841	\$ 11,797,979	\$ 11,771,209	\$ 11,661,643
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-100.44%	-15.95%	15.13%	10.82%	4.95%	-6.94%	69.09%	75.28%
Plan fiduciary net position as a percentage of total pension assets	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

* Information is presented only for the years available.

WESTHILL CENTRAL SCHOOL DISTRICT
SCHEDULES OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET
AND REAL PROPERTY TAX LIMIT
For the Year Ended June 30, 2022

Change from Adopted Budget to Revised Budget

Adopted Budget	\$ 41,671,857
Add: Prior Year's Encumbrances	<u>182,817</u>
Original Budget	<u>41,854,674</u>
Final Budget	<u>\$ 41,854,674</u>

Section 1318 of Real Property Tax Law Limit Calculation

2022-23 Voter-Approved Expenditure Budget	\$ 44,149,992
Maximum Allowed (4% of 2022-23 budget)	<u>\$ 1,766,000</u>

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

Unrestricted Fund Balance:		
Assigned Fund Balance	\$ 2,551,759	
Unassigned Fund Balance	<u>3,606,138</u>	
Total Unrestricted Fund Balance		<u>6,157,897</u>

Less:

Appropriated Fund Balance	2,291,121	
Encumbrances included in committed and assigned fund balance	<u>260,638</u>	
Total adjustments		<u>2,551,759</u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u>\$ 3,606,138</u>
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Actual percentage	8.2%
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WESTHILL CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
For the Year Ended June 30, 2022

PROJECT TITLE	Original Authorization	Revised Authorization	Expenditures			Unexpended Balance	Methods of Financing			Transfer to Debt Service	Fund Balance (Deficit) June 30, 2022
			Prior Years	Current Year	Total		Proceeds of Obligations	Local Sources	Total		
Buses											
Buses 2020-2021	\$ 510,000	\$ 510,000	\$ 449,892		\$ 449,892	\$ 60,108	\$ 449,892		\$ 449,892		\$
Buses 2021-2022	450,000	450,000		370,461	370,461	79,539	370,461	87,128	457,589		87,128
Leased Assets											
2021-22	248,490	248,490		248,490	248,490		248,490		248,490		
Local Projects											
2020-21	100,000	104,000	88,931		88,931	15,069		88,931	88,931		
2021-22	100,000	100,090		94,895	94,895	5,195		94,895	94,895		
Smart Schools Bond Act	1,076,116	1,076,116	472,617	190,707	663,324	412,792					(663,324)
2010 Phase II Capital Project											
Walberta Park School	18,700,000	18,700,000	17,876,438		17,876,438	823,562	13,730,000	4,970,000	18,700,000	823,562	
Cherry Road School	247,828	247,828	247,828		247,828	(247,828)		247,828	247,828		
2019 Capital Project	<u>20,183,700</u>	<u>20,183,700</u>	<u>1,989,043</u>	<u>4,460,222</u>	<u>6,449,265</u>	<u>13,734,435</u>		<u>1,513,435</u>	<u>1,513,435</u>		<u>(4,935,830)</u>
Totals	<u>\$ 41,616,134</u>	<u>\$ 41,620,224</u>	<u>\$ 21,124,749</u>	<u>\$ 5,364,775</u>	<u>\$ 26,489,524</u>	<u>\$ 14,882,872</u>	<u>\$ 14,798,843</u>	<u>\$ 7,002,217</u>	<u>\$ 21,801,060</u>	<u>\$ 823,562</u>	<u>\$ (5,512,026)</u>

See Independent Auditor's Report.

WESTHILL CENTRAL SCHOOL DISTRICT
NET INVESTMENT IN CAPITAL ASSETS
For the Year Ended June 30, 2022

Right to Use Leased Assets, Net	\$ 659,795
Capital Assets, Net	<u>71,797,460</u>
	<u>72,457,255</u>
Deduct:	
Short-Term - Bond Anticipation Note	18,723,700
Less Unspent Debt Proceeds	(12,580,152)
Lease Liability	251,221
Long-Term - Serial Bonds Payable	27,025,461
Premium on Bonds Payable	<u>4,216,770</u>
	<u>37,637,000</u>
Net Investment in Capital Assets	<u>\$ 34,820,255</u>

See Independent Auditor's Report.

D'Arcangelo & Co., LLP

Certified Public Accountants & Consultants

200 E. Garden St., P.O. Box 4300, Rome, N.Y. 13442-4300
315-336-9220 Fax: 315-336-0836

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

Board of Education
Westhill Central School District, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Westhill Central School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Westhill Central School District's basic financial statements, and have issued our report thereon dated September 26, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

D'Arcangelo & Co., LLP

September 26, 2022

Rome, New York

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

200 E. Garden St., P.O. Box 4300, Rome, N.Y. 13442-4300
315-336-9220 Fax: 315-336-0836

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

Board of Education
Westhill Central School District, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Westhill Central School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Westhill Central School District's major federal programs for the year ended June 30, 2022. Westhill 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, Westhill 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, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Westhill 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 Westhill 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 Westhill Central School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Westhill 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 Westhill 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 Westhill Central School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

D'Arcangelo + Co., LLP

September 26, 2022

Rome, New York

WESTHILL CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Agency or Pass-through Number	Current Year Expenditures	Subrecipient
<u>U.S. Department of Agriculture</u>				
(Passed Through the State Education Department of the State of New York - Pass-Through Grantor's No. 420701060000)				
Nutrition Cluster				
National School Lunch Program (Noncash)	10.555	N/A	\$ 2,767	\$
Summer Food Service Program	10.559	N/A	106,158	
School Breakfast Program	10.553	N/A	138,893	
Supply Chain Interruption	10.555	N/A	38,719	
National School Lunch Program	10.555	N/A	619,023	
Total Cash Assistance			902,793	
Total Nutrition Cluster			905,560	
Total U.S. Department of Agriculture			905,560	
<u>U.S. Department of Education</u>				
(Passed Through the State Education Department of the State of New York - Pass-Through Grantor's No. 420701060000)				
Title I Grants to Local Educational Agencies	84.010	0044-21-3162	48,299	
Title I Grants to Local Educational Agencies	84.010	0016-22-2115	91,820	
Title I Grants to Local Educational Agencies	84.010	0021-22-2115	136,842	
Total			276,961	
Special Education Cluster				
Special Education - Grants to States	84.027A	0032-22-0645	340,068	
COVID-19 Special Education - Grants to States	84.027X	5532-22-0645	5,859	
Special Education - Preschool Grants (IDEA Preschool)	84.173A	0033-22-0645	11,206	
COVID-19 Special Education - Preschool Grants (IDEA Preschool)	84.173X	5533-22-0645	9,351	
Total Special Education Cluster			366,484	
Student Support and Academic Enrichment Grant	84.424	0204-21-2115	10,428	
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - COVID-19				
Elementary and Secondary School Emergency Relief (ESSER)	84.425D	5891-21-2115	600,393	
Governor's Emergency Education Relief Fund (GEER)	84.425C	5896-21-2115	76,065	
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5880-21-2115	382,624	
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5882-21-2115	84,666	
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	5884-21-2115	171,269	
Total			1,315,017	
Improving Teacher Quality State Grants	84.367	0147-21-2115	51,750	
Total U.S. Department of Education			2,020,640	
<u>Total Federal Financial Assistance</u>			\$ 2,926,200	\$

**WESTHILL CENTRAL SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022**

1. SIGNIFICANT ACCOUNTING POLICIES

Organization

The accompanying Schedule of Expenditures of Federal Awards represents all Federal awards administered by the Westhill Central School District. The School District's organization is defined in Note 1 to the School District's basic financial statements.

Basis of Accounting

The expenditures in the accompanying schedule are presented on an accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements

Food Donation

Non-monetary assistance is reported in the schedule at fair market value of the food commodities received. At June 30, 2022, the School District had food commodities totaling \$2,791 in inventory.

Cluster Programs

The following programs are identified by "OMB Compliance Supplement" to be part of a cluster of programs:

U.S. Department of Agriculture

Nutrition Cluster

AL #10.553	School Breakfast Program
AL #10.555	National School Lunch Program

U.S. Department of Education

Special Education Cluster

AL #84.027	Special Education - Grants to States (IDEA, Part B)
AL #84.173	Special Education - Preschool Grants (IDEA Preschool)

Indirect Cost Rate

The School District has not elected to use the 10% de minimis indirect cost rate.

WESTHILL CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL COMPLIANCE REQUIREMENTS
For the Year Ended June 30, 2022

Summary of Auditor's Results

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major Federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies reported for major Federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR Section 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	<u>U.S. Department of Education</u> COVID-19 Education Stabilization Fund: AL # 84.425C Governor's Emergency Educational Relief (GEER) Fund School Emergency Relief (ESSER) AL # 84.425D Elementary and Secondary School Emergency Relief (ESSER) AL # 84.425U American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER)
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

(Continued)

WESTHILL CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL COMPLIANCE REQUIREMENTS
For the Year Ended June 30, 2022

(Continued)

Findings – Financial Statement Audit

No findings noted in the current year.

Findings and Questioned Costs – Major Federal Award Program Audit

No findings noted in the current year.

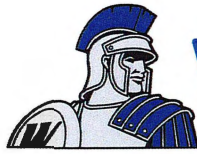
**WESTHILL CENTRAL SCHOOL DISTRICT
STATUS OF PRIOR YEAR'S FINDINGS AND QUESTIONED COSTS – FEDERAL COMPLIANCE REQUIREMENTS
For the Year Ended June 30, 2022**

Findings – Financial Statement Audit

No findings were noted in the prior year.

Findings and Questioned Costs – Major Federal Award Program Audit

No findings were noted in the prior year.



Westhill CSD

DARCY L. WOODCOCK
*Assistant Superintendent for
Curriculum and Instruction*
Phone (315) 426-3272

STEPHEN R. DUNHAM
Superintendent of Schools
400 Walberta Road
Syracuse, New York 13219-2214
Phone (315) 426-3272
Fax (315) 488-6411

STEVEN E. SMITH
*Assistant Superintendent for
Business Administration*
Phone (315) 426-3000

CERTIFICATION OF DISTRICT CLERK

I, Annette Iamondo, District Clerk of the **Westhill Central School District**, hereby certify that the following resolution:

15. D'Arcangelo & Co., LLP - 2021-22 Independent Audit

“Be it resolved, upon the recommendation of the Superintendent, the 2021-22 Independent Audit Report as presented and provided by D'Arcangelo & Co., LLP be accepted and approved.”

was adopted by the required majority (5 yes, 0 no) of the Board of Education at its regular meeting held on September 26, 2022.

Annette Iamondo, District Clerk

September 27, 2022