

MARION CENTRAL SCHOOL  
4034 Warner Road, Marion, NY 14505  
Regular Board of Education Meeting  
**October 16, 2023**  
**6:00 PM Jr.-Sr. High School Library**

**AGENDA**

Documents Pertaining to this Agenda can be found on the District Website



**Mission**

We engage all students to achieve their fullest potential today and to be prepared for tomorrow's opportunities.

**Vision**

The leader in growing future-ready generations.

**Core Beliefs**

We believe....

Students are at the heart of what we do.

Innovation is critical to our success.

Integrity is the foundation of our conduct.

Engagement is achieved through rigor, relevance and relationships.

Teamwork is the key to excellence.

Personalized

Learning is the future of education.

**A. OPENING**

1. Call to Order
2. Roll Call
3. Pledge of Allegiance
4. **Approval of Agenda**

**(Action)**

**B. COMMUNITY COMMENTS ON AGENDA ITEMS**

- Opportunity for Public Comments on Agenda items

**C. REPORTS**

1. Board of Education
2. Superintendent – E. Lloyd
  - NYSCOSS Fall Summit
  - Test Results (Enc.)
  - Graduate Survey
3. Director of Finance & Technology School Business Administrator – R. Walker
  - Capital Project Update
  - Food Service CEP Update
  - Reserve Fund Report 2022-2023 (Enc.)  
**Approval of Reserve Fund Report** **(Action)**
  - Audit Results (Enc.)  
**Approval of Annual External Audit** **(Action)**
  - Budget Committee/Process (Enc.)

**D. CONSENT AGENDA**

**(Action)**

1. Accept Minutes of Board of Education Meeting of October 2, 2023 (Enc.)
2. Approval of CSE/CPSE Recommendation Regarding Student Placement (Enc.)
3. Approval of the Winter Coaching/Athletic positions. (Enc.)
4. Accept the resignation of **Alex Wemesfelder** as an Evening Cleaner at Marion Jr-Sr High School, effective October 2, 2023. (Enc.)
5. Approve the elimination of the Consortium Secretary stipended position
6. Accept the resignation of **Kelly Lochner**, Teacher Aide at Marion Elementary School, effective October 13, 2023.
- 5.7. Approve the appointment of **Daniel Colabella**, as a Non-Certified Substitute Teacher for Marion Jr-Sr High School, pending fingerprint clearance.

**E. COMMUNITY COMMENTS**

**F. ADJOURNMENT**

**(Action)**

Next Regularly Scheduled Meeting – **Monday**, November 6, 2023 **6:00 PM** Marion Jr-Sr High School Library

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**2022-2023**

**NYS 3-8 Testing Results**

**NYS Regents Results**

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## 3-8 ELA Results Summary

Grade Level	% passing	WFL BOCES Avg.	Difference (Marion to BOCES)	WFL BOCES Rank (out of 25)
3	46	31	+15	4th
4	44	34	+10	5th
5	59	35	+24	1st
6	43	36	+7	6th
7	43	38	+5	6th
8	41	45	-4	12th

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## 3-8 ELA Year to Year Comparison

Grade Level	% passing 21-22	% passing 22-23
3	37	46
4	46	44
5	34	59
6	57	43
7	38	43
8	29	41

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\*Note: Different NYSED score setting methods were used each year.

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## 3-8 Math Results Summary

Grade Level	% passing	WFL BOCES Avg.	Difference (Marion to BOCES)	WFL BOCES Rank (out of 25)
3	56	39	+17	2nd
4	53	45	+8	8th
5	75	45	+30	1st
6	79	42	+37	3rd
7	38	47	-9	15th
8	39	33	+6	8th

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## 3-8 Math Year to Year Comparison

Grade Level	21-22 % passing	22-23 % passing
3	43	56
4	51	53
5	51	75
6	43	79
7	13	38
8	7	39

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\*Note: Different NYSED score setting methods were used each year.

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## Regents Results Summary: Sciences & ELA

Exam	% passing	WFL BOCES Avg.	Difference (Marion to BOCES)	WFL BOCES Rank (out of 25)
Living Environment	88	78	+10	6th
Chemistry	58	74	-16	20th
Earth Science	92	76	+16	2nd
Physics	100	82	+18	1st
English	90	77	+23	3rd

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## Regents Results: Year to Year Comparison

Exam	21-22 % passing	22-23 % passing
Living Environment	93	88
Chemistry	76	58
Earth Science	89	92
Physics	89	100
English	91	90

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## Regents Results Summary: Social Studies & Math

Exam	% passing	WFL BOCES Avg.	Difference (Marion to BOCES)	WFL BOCES Rank (out of 25)
US History	79	83	-4	16th
Global History	79	78	+1	12th
Algebra	87	75	+12	7th
Algebra II	93	82	+11	2nd
Geometry	85	65	+20	4th

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## Regents Results: Year to Year Comparison

Exam	21-22 % passing	22-23 % passing
US History	no exam	79
Global History	74	79
Algebra	78	87
Algebra II	100	93
Geometry	77	85

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# Marion Central School

## District Office

**Dr. Ellen Lloyd**  
Superintendent  
of Schools

**Nikki Miller**  
Assistant Superintendent  
of Instruction

**Richard Walker**  
School Business  
Administrator

**David Wise**  
Director of Technology  
and Innovative Programs

MEMO TO: **Board of Education**  
FROM: **Rich Walker, School Business Administrator**  
DATE: **October 12, 2023**  
RE: **2022-2023 Marion CSD Reserve Fund Report**

Enclosed in the October 16, 2023 board packet, you will find the annual reserve report summarizing activity related to the District's reserve funds. The report includes the legal framework supporting each reserve, interest earnings, utilization and funding throughout the 2022-2023 year, as well as final balances. A few highlight from the plan include:

- Marion utilized the Employee Benefit Accrued Liability Reserve to offset retirement costs in 2023 for \$16,647
- Marion utilized \$373,921 from the 2010 Capital reserve for bus purchases
- Marion utilized the ERS Reserve in the amount of \$173,762

The District was able to continue funding the reserves to minimize local tax impact for future capital projects and bus purchases and to avoid debt issuance for bus purchases. The District was also able to fund the ERS/TRS, Employee Benefit Accrued Liability, and Workers Comp contribution reserve in anticipation of the need to use once the CCRSA/ARP funding ends.

If you have any questions or comments regarding the content of the report, please don't hesitate to contact me.

Sincerely,

Richard Walker  
School Business Administrator

# Marion Central School District Annual Reserve Funds Report

## Purpose, Activity, & Recommendations

### Marion Believes:

**Students** are at the heart of what we do.

**Innovation** is critical to our success.

**Integrity** is the foundation of our conduct.

**Engagement** is achieved through rigor, relevance, and relationships.

**Teamwork** is the key to excellence.

**Personalized Learning** is the future of education.



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## Intended Use of Reserve Funds

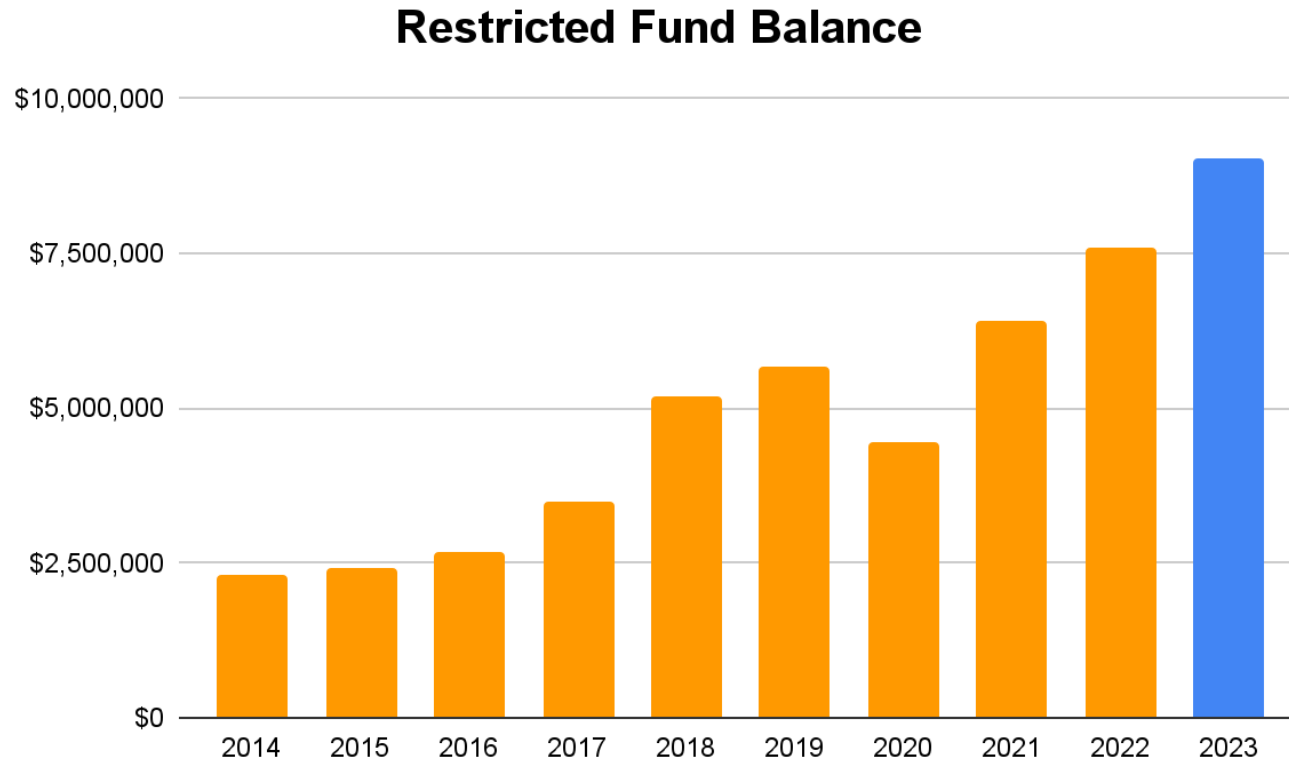
Reserve funds, like other savings plans, are mechanisms for accumulating cash for future capital outlays and other allowable purposes. The practice of planning ahead and systematically saving for capital acquisitions and other contingencies is considered prudent management. Saving for future capital needs can reduce or eliminate interest and other costs associated with debt issuances. Similarly, certain reserve funds can be utilized to help protect the budget against known risks (a potential lawsuit) or unknown risks (a major ice storm).

Most reserve funds are established to provide resources for an intended future use. An important concept to remember is that a reserve fund should be established with a clear intent or plan in mind regarding the future purpose, use and, when appropriate, replenishment of funds from the reserve. Reserve funds should not be merely a “parking lot” for excess cash or fund balance. Local governments and school districts should balance the desirability of accumulating reserves for future needs with the obligation to make sure taxpayers are not overburdened by these practices. There should be a clear purpose or intent for reserve funds that aligns with statutory authorizations.

Each statute that authorizes a reserve fund sets forth a particular underlying purpose for the fund. For example, provisions of the General Municipal Law (the GML) and the Education Law allow municipalities and school districts, respectively, to establish capital reserves for future equipment purchases and capital improvements. The GML also authorizes the establishment of an employee benefit accrued liability reserve for the payment of the monetary value of accumulated, unused leave time to employees upon separation from service. Planning today and saving incrementally for expected future events can help mitigate the financial impact of major, nonrecurring or unforeseen expenditures on your annual operating budget. Establishing and funding allowable reserve funds for a clear purpose can help smooth out spikes in the annual budget and in the real property tax levy.

Source: *Office of the New York State Comptroller – Local Management Guide for Reserves*  
<http://www.osc.state.ny.us/localgov/pubs/lmgm/reservefunds.pdf>

## Reserve Fund History





## Marion CSD Reserve Funds Report **2023**

### Current Year Activity-End Reserve Fund Balances

	2022 End Balance	2023 Utilization	2023 Interest Earned	2023 Projected Funding	2023 End Balance
ERS Retirement Contribution	\$1,387,016	-\$173,762	\$49,006	\$250,000	\$1,512,260
TRS Retirement Contribution	\$456,459	\$0	\$15,952	\$120,000	\$592,411
Capital Bus Purchase (2010)	\$678,306	-\$373,921	\$17,613	\$0	\$321,998
Capital Bus Purchase (2019)	\$1,230,441	\$0	\$42,999	\$800,000	\$2,073,440
Capital (2018)	\$2,411,229	\$0	\$84,597	\$271,448	\$2,767,274
Unemployment	\$83,388	0	\$3,016	\$0	\$86,404
Employee Benefit Liability (EBLAR)	\$904,661	-\$16,647	\$32,490	\$250,000	\$1,170,504
Property loss and liability	\$8,772	\$0	\$318	\$0	\$9,090
Worker's Comp	\$450,646	\$0	\$16,068	\$50,000	\$516,714
<b>Totals</b>	<b>\$7,610,918</b>	<b>\$564,330</b>	<b>\$262,059</b>	<b>\$1,741,448</b>	<b>\$9,050,095</b>

2022-2023 audit findings provided by MMB

## Unemployment Insurance Reserve (GML Section 6-m)

### Purpose

To reimburse the State Unemployment Insurance Fund for payments made to claimants where the municipality has elected to use the “benefit reimbursement” method.

### Source of Funds

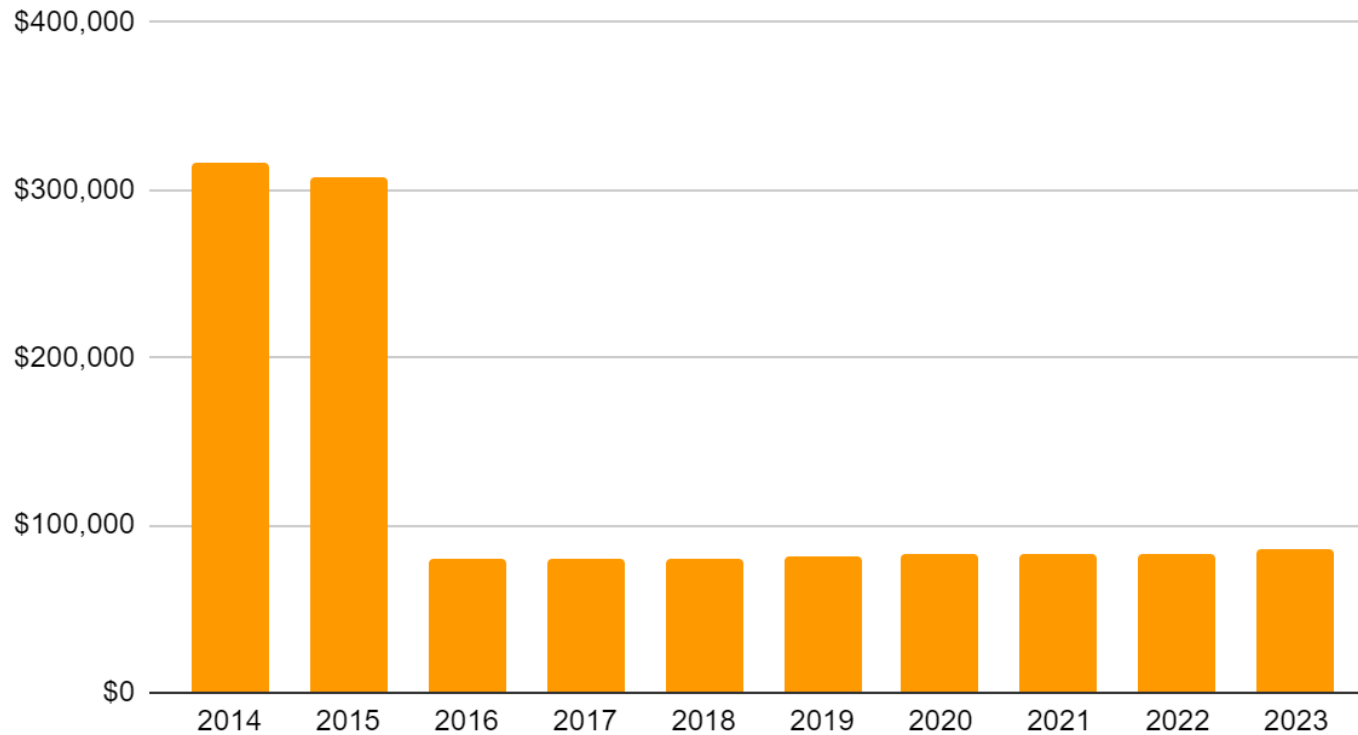
Budgetary appropriations, amounts from certain other reserve funds, subject to permissive referendum; other funds that may be legally appropriated.

### Use of Unexpended Balance

If at the end of any fiscal year, the moneys in the fund exceed amounts required to be paid into the Unemployment Insurance Fund as described above, plus any additional amounts required to pay all pending claims, the governing board, within 60 days of the close of the fiscal year, may elect to transfer all or part of the excess amounts to certain other reserve funds, or apply all or part of the excess to the budget appropriation of the next succeeding fiscal year. If the local government terminates its election to become liable for payments in lieu of contributions (i.e., elects to convert to “tax contribution” basis), moneys remaining in the fund may be transferred to certain other reserve funds, to the extent moneys in the fund exceed amounts sufficient to pay all pending claims.

**Analysis**

**Unemployment Insurance Reserve**



	2022 End Balance	2023 Utilization	2023 Interest Earned	2023 Funding	2023 End Balance
Unemployment Reserve	\$83,388	\$0	\$3,016	0	\$86,404

## Marion CSD Reserve Funds Report | 2023

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The district took the step seven years ago to reduce the funding in this reserve fund based on prior utilization and anticipated future requirements. As the economy has improved, the unemployment burden on the district has decreased and thus the funding in the account was recalibrated. From a managerial perspective, keeping this funded around 1% of total payroll is adequate for the time being. Due to COVID-19, we do not know to what extent we rely on this reserve fund for supplemental revenue in 2023-2024 and beyond. We will continue to monitor our staffing needs, the economic climate, and how other issues could potentially affect the need to appropriately fund this reserve.

## Retirement Contribution Reserve(s) (GML Section 6-r)

### Purpose

For the payment of “retirement contributions,” which are defined as all or any portion of the amount payable to either the New York State and Local Employees’ Retirement System or the New York State and Local Police and Fire Retirement System, pursuant to Sections 17 or 317 of the Retirement and Social Security Law. In 2019, authorization for a subfund for contributions to the New York State Teacher’s Retirement System was enacted by the state legislature. The Board of Education passed a resolution to establish this subfund on April 22, 2019.

### Sources of Fund

Budgetary appropriations and such other source(s) as may be legally appropriated. Funds remaining in excess of requirements to pay all pending claims, may be transferred, within sixty days of the close of the fiscal year, to other reserve(s) or applied to the next succeeding fiscal year’s budget.

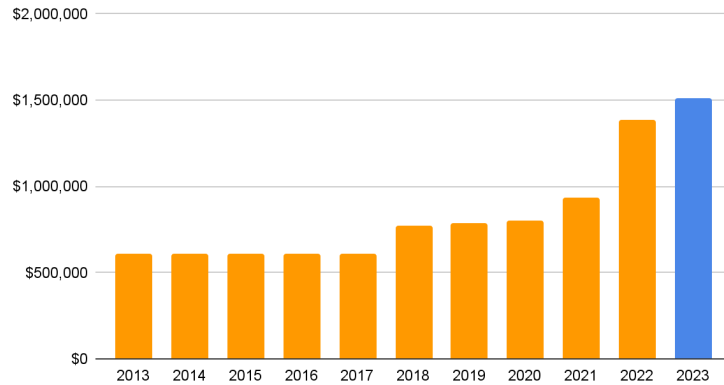
### Use of Unexpended Balances

The board may authorize the transfer of a portion of the moneys in the retirement Balances: contribution reserve to a reserve fund established pursuant to Sections 6-c, 6-d, 6-e, 6-f or 6-g of the General Municipal Law (supported by the same tax base), or in the case of a school district, a reserve fund established pursuant to Section 3651 of the Education Law. Such a transfer is subject to a public hearing. If the board determines that the retirement contribution reserve is no longer needed, the board may terminate the fund by resolution. The resolution must transfer any moneys remaining in the retirement contribution reserve to one or more reserve funds established pursuant to Sections 6-c, 6-d, 6-e, 6-f or 6-g of the General Municipal Law (supported by the same tax base), or in the case of a school district, one or more reserve funds established pursuant to Section 3651 of Education Law.

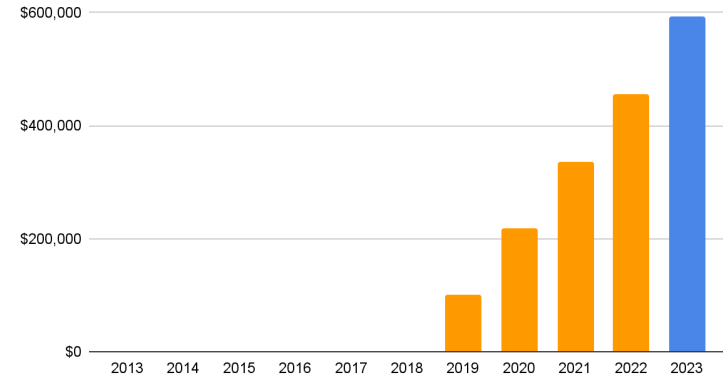
# Marion CSD Reserve Funds Report **2023**

## Analysis

**ERS Contributuion Reserve**



**TRS Contribution Reserve**



	2022 End Balance	2023 Utilization	2023 Interest Earned	2023 Funding	2023 End Balance
TRS Retirement Contribution	\$456,459	\$0	\$15,952	\$120,000	\$592,411
ERS Retirement Contribution	\$1,387,016	-\$173,762	\$49,006	\$250,000	\$1,512,260

This state retirement system reserve fund is strategically funded to represent approximately three years of contributions due to NYSLRS liability. The subfund for TRS has an annual contribution limit of 2% of prior year teacher compensation or salary, not to exceed a cumulative maximum of 10% of prior year teacher compensation or salary. It is unknown if there will be a need to use as revenue to offset potential state aid cuts in the years following the federal stimulus money.

## Employee Benefit Accrued Liability Reserve (GML section 6-p)

### Purpose

To pay for any accrued “employee benefit” due an employee on termination of the employee’s service. Expenditures may be made from an employee benefit accrued liability reserve fund for the payment of all or part of the cost, including interest, of: (a) The cash payment of the monetary value of accumulated or accrued and unused sick leave, holiday leave, vacation leave, time allowance granted in lieu of overtime compensation and other forms of payment for accrued leave time and benefits due to a municipal employee upon termination of municipal employment and separation from service “as required by ordinance, local law, collective bargaining agreement or Section six of the civil service law” (b) The reasonable costs of the administration of the reserve fund (c) Expert or professional services rendered in connection with the investigation, adjustment or settlement of claims, actions or judgments relating to claims for accrued employee benefits.

### Sources of Revenue

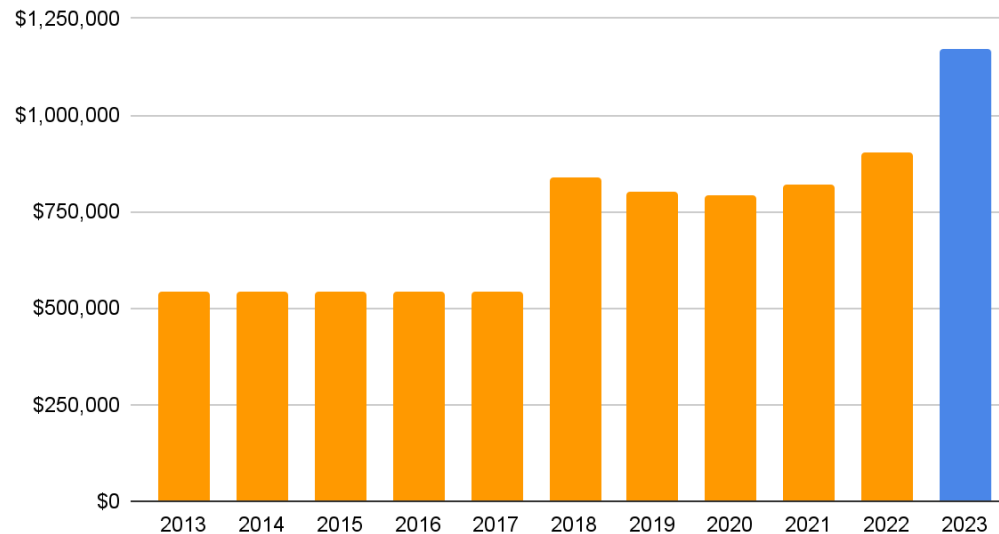
Budgetary appropriations, amounts from certain other reserve funds subject to permissive referendum, other funds that may be legally appropriated

### Use of Unexpended Balances

If the governing body determines that such fund is no longer needed, any remaining moneys may be transferred to any other reserve fund authorized by the General Municipal Law (supported by the same tax base) or, in the case of school districts, a reserve fund established under Education Law Section 3651, but only to the extent that the moneys in the employee benefit accrued liability reserve fund exceed a sum sufficient to pay all liabilities incurred or accrued against the employee benefit accrued liability fund, as certified to the governing board by the fiscal and legal officers of the local government prior to the discontinuance of the fund

## Analysis

### Employee Benefit Accrued Liability Reserve



	2022 End Balance	2023 Utilization	2023 Interest Earned	2023 Funding	2023 End Balance
Employee Benefit Liability (EBLAR)	\$904,661	-\$16,647	\$32,490	\$250,000	\$1,170,504

The intent of this reserve is to carry funding near the amount of the audited compensated absence balance. In the 2022-2023 year this reserve was utilized to fund accrued benefits for a few retiring staff per the District's collective bargaining agreements. The District will continue to utilize this reserve to compensate employees for their accrued benefits due upon retirement.



## Capital Reserve for Bus Purchases (GML Sections 6-c, 6-g)

### Purpose

To finance all or part of the cost of construction, reconstruction, or acquisition of:

- A “specific” or “type” capital improvement
- The acquisition of a “specific” or a “type” item(s) of equipment.

The term “capital improvement” means: any physical improvement and any related preliminary studies and surveys; lands or rights in land; any furnishings, equipment, machinery, or apparatus for any physical improvement acquired at the time when such improvement is constructed, reconstructed, or acquired.

The term “equipment” includes any equipment, machinery, or apparatus not included in the definition of capital improvement and for which a period of probable usefulness has been provided by law.

### Source of Funds

Capital reserve funds may generally be funded with:

- Budgetary appropriations
- Revenues not required by law to be paid into any other fund or account (e.g., transfers from unexpended balances of existing appropriations and surplus moneys).

## Use of Unexpended Balances

Generally, unexpended balances in a capital reserve fund may be transferred to another capital reserve having the same tax base.

- a) Capital Reserve Balances Remaining After Completion or Acquisition If there is an unexpended (residual) balance remaining in a specific or type capital reserve after the capital improvement or item of equipment has been completed or acquired, the governing board may appropriate all or any part of such remaining balance to another capital reserve fund without referendum. An amount sufficient to satisfy all outstanding claims arising from the construction, reconstruction, or acquisition of the improvement or the acquisition of the equipment should remain designated for such claims until they are satisfied.

Additionally, in a municipality, all or part of the unexpended balance of a capital reserve established for a specific improvement or item of equipment that has been completed or acquired (less amounts required to satisfy all outstanding claims related to such improvement or equipment) may be appropriated for:

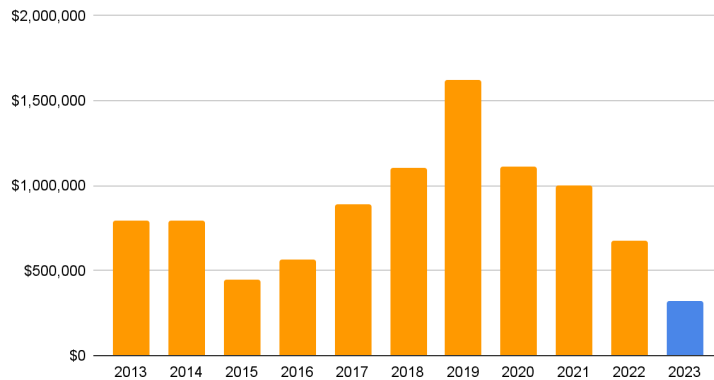
- An object or purpose for which bonds may be issued
- The payment of interest on and principal of indebtedness (except indebtedness for assessable improvements and certain indebtedness excludable from constitutional debt limits) (Section 6-c [9-a]).

b) Capital Reserve Balances Never Utilized Where a specific capital reserve has been established, and the improvement or item of equipment has not been acquired or completed, any transfer is subject to permissive referendum if the authorization for the creation of the reserve was subject to permissive referendum. While subject to a public hearing with 15 days notice, unexpended balances may also be transferred to a Retirement Contribution Reserve Fund

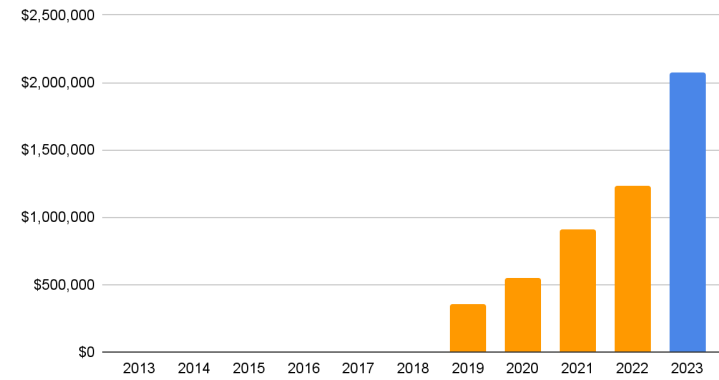
# Marion CSD Reserve Funds Report 2023

## Analysis

Capital Reserve for Bus Purchases (2010)



Capital Reserve for Bus Purchases (2019)



	2022 End Balance	2023 Utilization	2023 Interest Earned	2023 Funding	2023 End Balance
Capital Bus Purchase (2019)	\$1,230,441	\$0	\$42,999	\$800,000	\$2,073,440
Capital Bus Purchase (2010)	\$678,306	-\$373,921	\$17,613	\$0	\$321,998

The capital reserve for buses was established in 2010 and has a 10-year utilization window with a \$3 million aggregate threshold. At the end of the 2017-18 year this reserve was fully funded. In May of 2019, voters approved a new reserve for bus purchases with a 10-year utilization window and a \$5 million aggregate threshold. The District continues to capture transportation aid generated from past bus purchases in this reserve account in order to fund future bus purchases without the need to issue debt.

## Capital Reserve (GML Sections 6-c, 6-g)

### Purpose

To finance all or part of the cost of construction, reconstruction, or acquisition of:

- A “specific” or “type” capital improvement
- The acquisition of a “specific” or a “type” item(s) of equipment.

The term “capital improvement” means: any physical improvement and any related preliminary studies and surveys; lands or rights in land; any furnishings, equipment, machinery, or apparatus for any physical improvement acquired at the time when such improvement is constructed, reconstructed, or acquired.

The term “equipment” includes any equipment, machinery, or apparatus not included in the definition of capital improvement and for which a period of probable usefulness has been provided by law.

### Source of Funds

Capital reserve funds may generally be funded with:

- Budgetary appropriations
- Revenues not required by law to be paid into any other fund or account (e.g., transfers from unexpended balances of existing appropriations and surplus moneys).

## Use of Unexpended Funds

Generally, unexpended balances in a capital reserve fund may be transferred to another capital reserve having the same tax base.

- a) Capital Reserve Balances Remaining After Completion or Acquisition If there is an unexpended (residual) balance remaining in a specific or type capital reserve after the capital improvement or item of equipment has been completed or acquired, the governing board may appropriate all or any part of such remaining balance to another capital reserve fund without referendum. An amount sufficient to satisfy all outstanding claims arising from the construction, reconstruction, or acquisition of the improvement or the acquisition of the equipment should remain designated for such claims until they are satisfied.

Additionally, in a municipality, all or part of the unexpended balance of a capital reserve established for a specific improvement or item of equipment that has been completed or acquired (less amounts required to satisfy all outstanding claims related to such improvement or equipment) may be appropriated for:

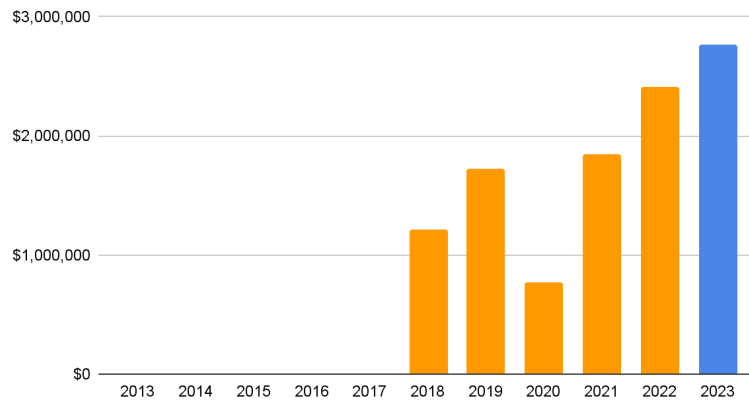
- An object or purpose for which bonds may be issued
- The payment of interest on and principal of indebtedness (except indebtedness for assessable improvements and certain indebtedness excludable from constitutional debt limits) (Section 6-c [9-a]).

b) Capital Reserve Balances Never Utilized Where a specific capital reserve has been established, and the improvement or item of equipment has not been acquired or completed, any transfer is subject to permissive referendum if the authorization for the creation of the reserve was subject to permissive referendum. While subject to a public hearing with 15 days' notice, unexpended balances may also be transferred to a Retirement Contribution Reserve Fund

# Marion CSD Reserve Funds Report 2023

## Analysis

Capital Reserve (2018)



	2022 End Balance	2023 Utilization	2023 Interest Earned	2023 Funding	2023 End Balance
Capital (2018)	\$2,411,229	\$0	\$84,597	\$271,448	\$2,767,274

The 2012 capital reserve was initially authorized for \$3,000,000 and has a 10-year utilization window. With the contribution of the fiscal year 2017, the capital reserve was fully funded. In May of 2018 a new reserve was authorized for \$5,000,000 and has a 10-year utilization window. This capital reserve has been used to supplement the building, land, equipment, and other capital requirements that arise within the district. This fund, like the bus purchase fund, has primarily been replenished with surplus unencumbered fund balance on an annual basis at the directive of the Board of Education. In the past the District has utilized this account to offset any local share costs on building projects that would otherwise have affected taxpayers. The District continues to fund the capital reserve as a priority to offset the local tax burden of an anticipated capital project for the 2022-23 school year.

## Liability Reserve (Education Law 1709 8-c)

### Purpose

To finance all or part of liability claims:

### Source of Funds

Capital reserve funds may generally be funded with budgetary appropriations

- Budgetary appropriations

### Use of Unexpended Balances

The Liability reserve may not be reduced below the amounts estimated necessary to cover incurred but unsettled claims or suits (other than by payments for losses for which such amounts were established). Funds may be expended without voter approval, unless the expenditure is for a purpose other than for which the fund was established.

## Marion CSD Reserve Funds Report | 2023

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### Analysis

	2022 End Balance	2023 Utilization	2023 Interest Earned	2023 Funding	2023 End Balance
Liability Reserve	\$8,772	\$0	\$318	\$0	\$9,090



## Worker's Compensation Reserve (GML Section 6-j)

### Purpose

For the payment of Worker's Compensation and benefits, related medical/hospital expenses, and self-insurance administrative costs as authorized by Article 2 of the Workers' Compensation Law. The Board of Education passed a resolution to establish this reserve fund on April 13, 2021.

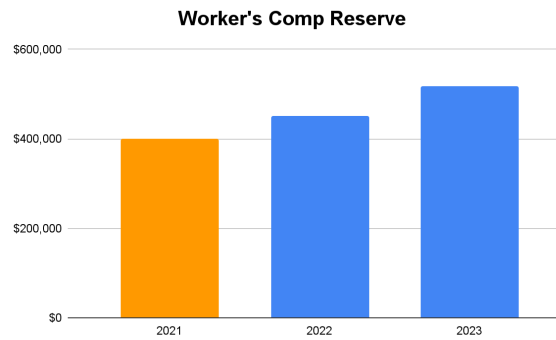
### Sources of Fund

Budgetary appropriations or taxes raised for the reserve.

### Use of Unexpended Balances

If the governing body determines that such fund is no longer needed, any remaining moneys may be transferred to any other reserve fund authorized by the General Municipal Law (supported by the same tax base) or, in the case of school districts, a reserve fund established under Education Law Section 3651, but only to the extent that the moneys in the Workers' Compensation reserve fund exceed a sum sufficient to pay all liabilities incurred or accrued against the Workers' Compensation fund, as certified to the governing board by the fiscal and legal officers of the local government prior to the discontinuance of the fund

## Analysis



	2022 End Balance	2023 Utilization	2023 Interest Earned	2023 Funding	2023 End Balance
<b>Workers' Compensation Reserve</b>	\$450,646	\$0	\$16,068	\$50,000	\$516,714

# Marion CSD Reserve Funds Report | 2023

## Appendix

### Reserve Fund Authorizations

Unemployment Insurance Reserve Fund Carried by a BOE vote of 5 yay to 0 nay June 24, 1991	Capital Reserve Fund (2012) Carried by a community vote of 217 yay to 65 nay December 11, 2012
Capital Reserve for Bus Purchases Carried by a community vote of 504 yay to 333 nay May 18, 2010	Capital Reserve Fund (2018) Carried by a community vote of 213 yay to 31 nay May 15, 2018
Employee Benefit Accrued Liability Reserve Fund Carried by a BOE vote of 5 yay to 0 nay August 23, 2010	Capital Reserve for Bus Purchases (2019) Carried by a community vote of 220 yay to 34 nay May 21, 2019
Retirement Contribution Reserve Carried by a BOE vote of 5 yay to 0 nay August 23, 2010	Retirement Contribution Reserve (TRS Subfund) Carried by a BOE vote of 5 yay to 0 nay April 22, 2019
Liability Reserve Carried by a BOE vote of 5 yay to 0 nay April 14, 2020	Worker's Compensation Reserve Carried by a BOE vote of 5 yay to 0 nay April 13, 2021





# Marion Central School

## District Office

**Dr. Ellen Lloyd**  
Superintendent  
of Schools

**Nikki Miller**  
Assistant Superintendent  
of Instruction

**Richard Walker**  
School Business  
Administrator

**David Wise**  
Director of Technology  
and Innovative Programs

MEMO TO: **Board of Education**  
FROM: **Rich Walker, School Business Administrator**  
DATE: **October 12, 2023**  
RE: **2022-2023 External Audit and Financial Statements**

On Thursday, October 12th, Marion's audit committee met to review the audit results. Enclosed in the board packet you will find a draft of the District's 2022-2023 year end audit report and financial statements, prepared by MMB. The financial statements cover all the District's operating funds.

The District's reserves increased by \$1.5M. This is primarily due to the added revenue from the Federal Stimulus money resulting in our fund balance increasing by \$1.5M. The 2023-24 fiscal year is the last year for the Federal Stimulus money. Unless there is a significant change in revenue moving forward, the District's fund balance will start to decline as a result of inflation, increased health care costs, and increased wages.

The audit produced two comments. The first is for excess fund balance for the Cafeteria fund. Most school districts have exceeded the 3 month expenditure fund balance allowance as a result of the 100% meal reimbursement through COVID. I am pleased to report that this has already been addressed through a NYSED spend down approval plan that was approved this past spring. The spend down plan included the purchase of a combi-oven and new line server totaling about \$100K and increased expenditures for salaries and benefits. The second comment was to ensure timely deposits. The auditor would like to see all deposits take place within 4 business days of receipt. The auditors found a few instances where the deposit took place on the 5<sup>th</sup> day.

I am pleased to report that there were no material weaknesses or malfunctions found in the audit. I would like to thank the District staff involved in the audit process and MMB for their service in conducting the audit. It is my recommendation the audit be approved by the Board of Education for subsequent filing with the Commissioner of Education pursuant to CRR-NY 170.12.

If you have any questions or comments, please don't hesitate to contact me.

Sincerely,

Richard Walker  
School Business Administrator

**MARION CENTRAL SCHOOL DISTRICT  
NEW YORK**

**BASIC FINANCIAL STATEMENTS**

**For Year Ended June 30, 2023**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Marion Central School District, New York

### Report on the Audit of the Financial Statements

#### *Opinions*

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

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

#### *Basis for Opinions*

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

#### *Responsibilities of Management for the Financial Statements*

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



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

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

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

In performing an audit in accordance with GAAS, 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 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 District's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in District's total OPEB liability and related ratio, schedule of the District's proportionate share of the net pension liability, schedule of District contributions, and budgetary comparison information on pages 4-13 and 49-53 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Marion Central School District's basic financial statements. The accompanying supplemental information as listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information as listed in the table of contents and schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements 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 supplementary information as listed in the table of contents and schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2023 on our consideration of Marion 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 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 Marion Central School District's internal control over financial reporting and compliance.

Rochester, New York  
October 11, 2023

## **Marion Central School District, New York**

### **Management's Discussion and Analysis**

#### **For the Fiscal Year Ended June 30, 2023**

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

#### **Financial Highlights**

At the close of the fiscal year, the total liabilities plus deferred inflows (what the District owes) exceeded its total assets plus deferred outflows (what the District owns) by (\$2,684,708) (net position), which decreased the deficit net position by \$2,883,851.

General revenues, which include Property Taxes, Non Property Taxes, State and Federal Aid, Investment Earnings, Compensation for Loss, and Miscellaneous accounted for \$21,562,319 or 91% of all revenues. Program specific revenues in the form of Charges for Services and Operating Grants and Contributions, accounted for \$2,253,474 or 9% of total revenues.

As of the close of the fiscal year, the School District's governmental funds reported combined fund balances of \$14,614,985, an increase of \$4,473,296 in comparison with the prior year.

New York State Law limits the amount of unreserved fund balance that can be retained by the General Fund to 4% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$907,492 and this amount was within the statutory limit.

#### **Overview of the Financial Statements**

This management's discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains individual fund statements and schedules in addition to the basic financial statements.

#### *Government-Wide Financial Statements*

The *government-wide financial statements* are designed to provide readers with a broad overview of the School District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the School District's assets plus deferred outflow of resources and liabilities plus deferred inflow of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The *governmental* activities of the School District include instruction, pupil transportation, cost of food sales, general administrative support, community service, and interest on long-term debt.

The government-wide financial statements can be found on the pages immediately following this section as the first two pages of the basic financial statements.

### *Fund Financial Statements*

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 School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The School District maintains six individual governmental funds; General Fund, Special Aid Fund, School Lunch Fund, Miscellaneous Special Revenue Fund, Debt Service Fund, and Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, the special aid fund, and the capital projects fund, which are reported as major funds. Data for the school lunch fund, the debt service fund and the miscellaneous special revenue fund are aggregated into a single column and reported as non-major funds.

The School District adopts and voters approve an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund within the basic financial statements to demonstrate compliance with the budget.

The *Fiduciary Funds* are used to account for assets held by the School District in an agency capacity which accounts for assets held by the School District on behalf of others. Fiduciary funds are not reflected in the government-wide financial statement because the resources of these funds are *not* available to support the School District's programs.

The financial statements for the governmental and fiduciary funds can be found in the basic financial statement section of this report.

<b><u>Major Feature of the District-Wide and Fund Financial Statements</u></b>			
	<b><u>Government-Wide Statements</u></b>	<b><u>Fund Financial Statements</u></b>	
		<b><u>Governmental Funds</u></b>	<b><u>Fiduciary Funds</u></b>
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as special education, scholarship programs, and building maintenance	Instances in which the School District administers resources on behalf of someone else, such as student activities monies
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balance	Statement of fiduciary net position Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

### *Notes to the Financial Statements*

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the basic financial statement section of this report.

### **Government-Wide Statements**

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

The two government-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets plus deferred outflow of resources and liabilities plus deferred inflow of resources, is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively. Additional non-financial factors such as changes in the District's property tax base and the condition of the school buildings and facilities must also be considered to assess the District's overall health.

All of the District's services are reported in the government-wide financial statements as governmental activities. Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes, federal and state aid, and investment earnings finance most of these activities.

## Financial Analysis of the School District As A Whole

### Net Position

	<u>Governmental Activities</u>		<u>Total Variance</u>
	<u>2023</u>	<u>2022</u>	
<b><u>ASSETS:</u></b>			
Current and Other Assets	\$ 16,221,290	\$ 27,058,650	\$ (10,837,360)
Capital Assets	29,870,701	21,462,114	8,408,587
<b>Total Assets</b>	<b>\$ 46,091,991</b>	<b>\$ 48,520,764</b>	<b>\$ (2,428,773)</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES:</u></b>			
Deferred Outflows of Resources	\$ 7,448,644	\$ 8,537,504	\$ (1,088,860)
<b><u>LIABILITIES:</u></b>			
Long-Term Debt Obligations	\$ 45,387,838	\$ 33,319,745	\$ 12,068,093
Other Liabilities	1,644,573	10,142,446	(8,497,873)
<b>Total Liabilities</b>	<b>\$ 47,032,411</b>	<b>\$ 43,462,191</b>	<b>\$ 3,570,220</b>
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>			
Deferred Inflows of Resources	\$ 9,192,932	\$ 19,164,636	\$ (9,971,704)
<b><u>NET POSITION:</u></b>			
Net Investment in Capital Assets	\$ 16,473,105	\$ 17,969,393	\$ (1,496,288)
Restricted For,			
Reserve for ERS	1,512,260	1,387,016	125,244
Capital Reserve	5,162,712	4,319,976	842,736
Accrued Benefit Liability Reserve	1,170,504	904,661	265,843
Other Purposes	1,825,929	1,390,128	435,801
Unrestricted	(28,829,218)	(31,539,733)	2,710,515
<b>Total Net Position</b>	<b>\$ (2,684,708)</b>	<b>\$ (5,568,559)</b>	<b>\$ 2,883,851</b>

### Key Variances

- Current and Other Assets decreased as a result of the NYS ERS and TRS pension systems no longer reporting a net pension asset
- Capital Assets increased as a result of substantial work being completed on the 2021 capital project
- Long-Term Debt Obligations increased as a result of the issuance of a bond
- Other Liabilities decreased as a result of a BAN being converted into a bond
- Deferred Inflows of Resources decreased as a result of decreases to the pension system amortization of the net differences between projected and actual earnings on plan investments

The District's financial position is the product of many factors.

By far, the largest component of the School District's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to the students and consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

There are four restricted net asset balances, Reserve for ERS, Capital Reserve, Accrued Benefit Liability Reserve, and Other Purposes.

## **Changes in Net Position**

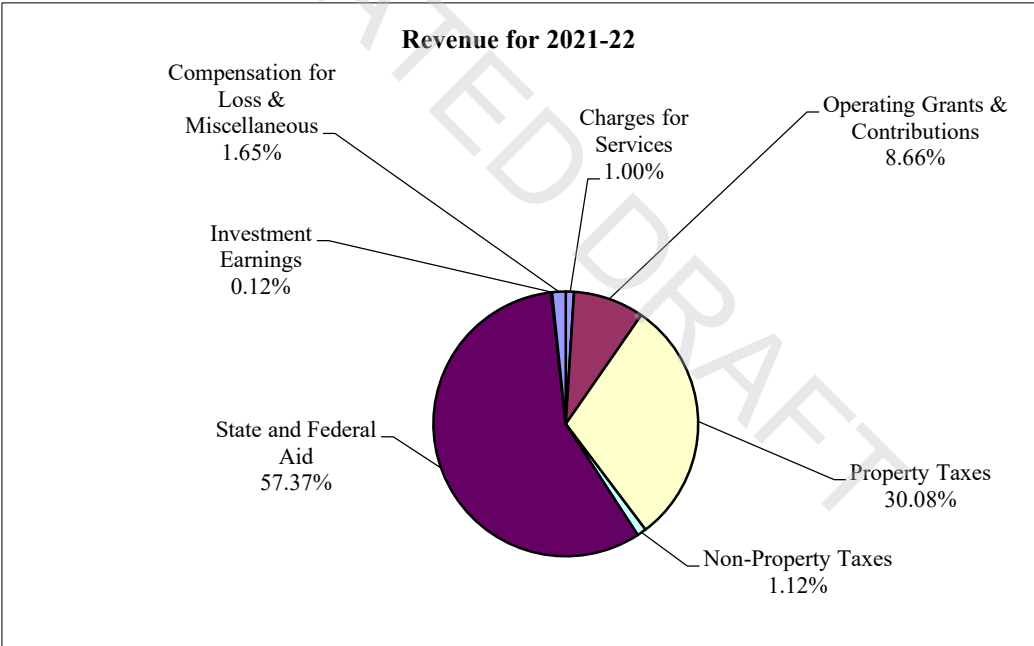
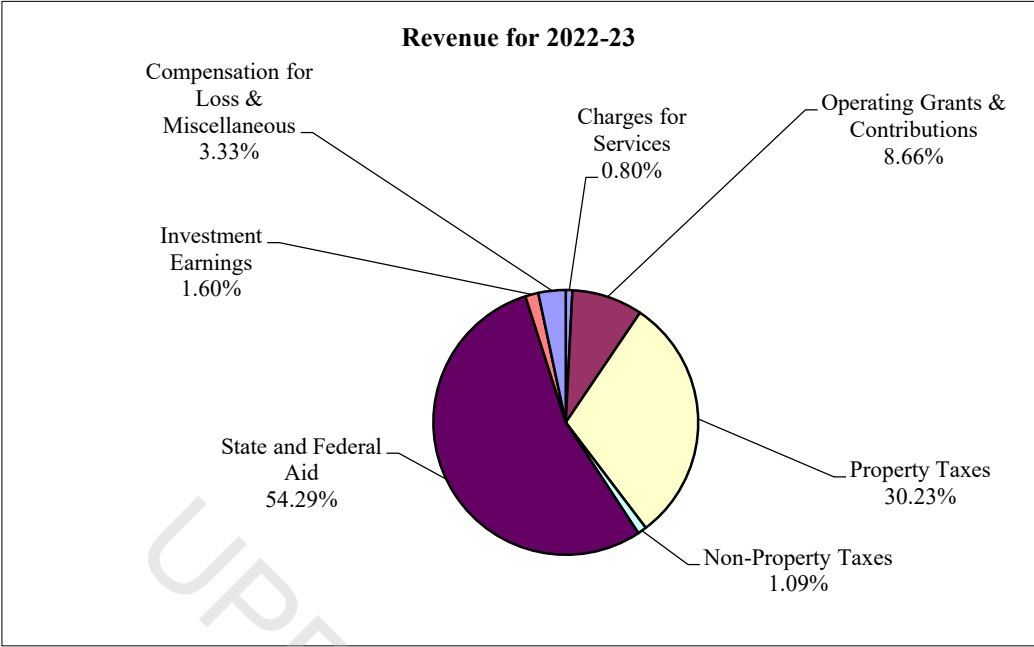
The District's total revenue increased 2% to \$23,815,793. State and federal aid 54% and property taxes 30% accounted for most of the District's revenue. The remaining 16% of the revenue comes from operating grants, charges for services, non property taxes, investment earnings, compensation for loss, and miscellaneous revenues.

The total cost of all the programs and services increased 15% to \$20,931,942. The District's expenses are predominately related to education and caring for the students (Instruction) 72%. General support which included expenses associated with the operation, maintenance and administration of the District accounted for 15% of the total costs. See table below:

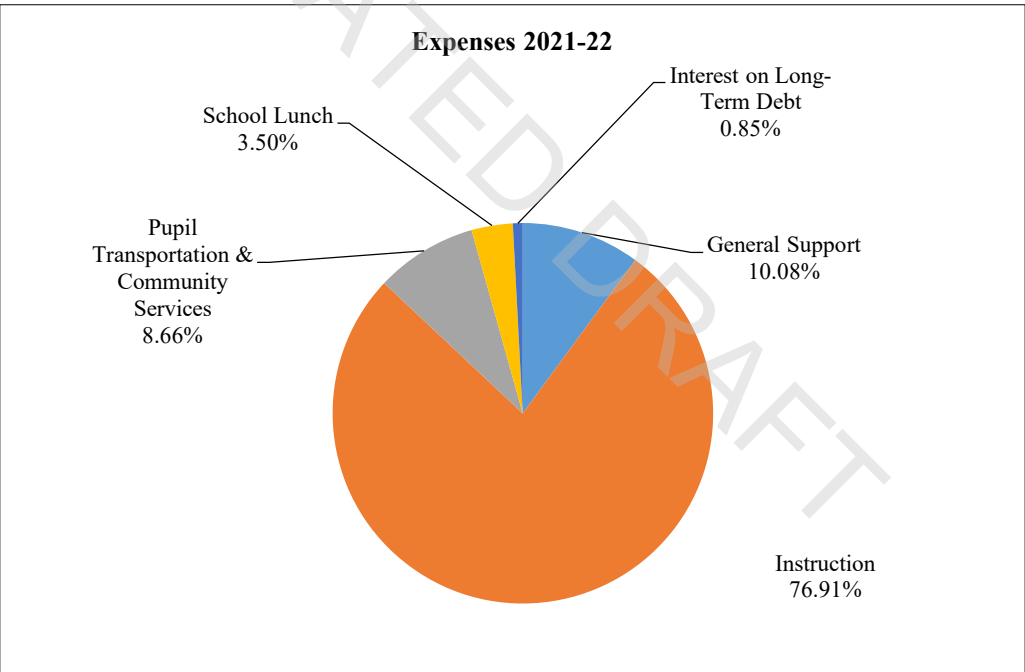
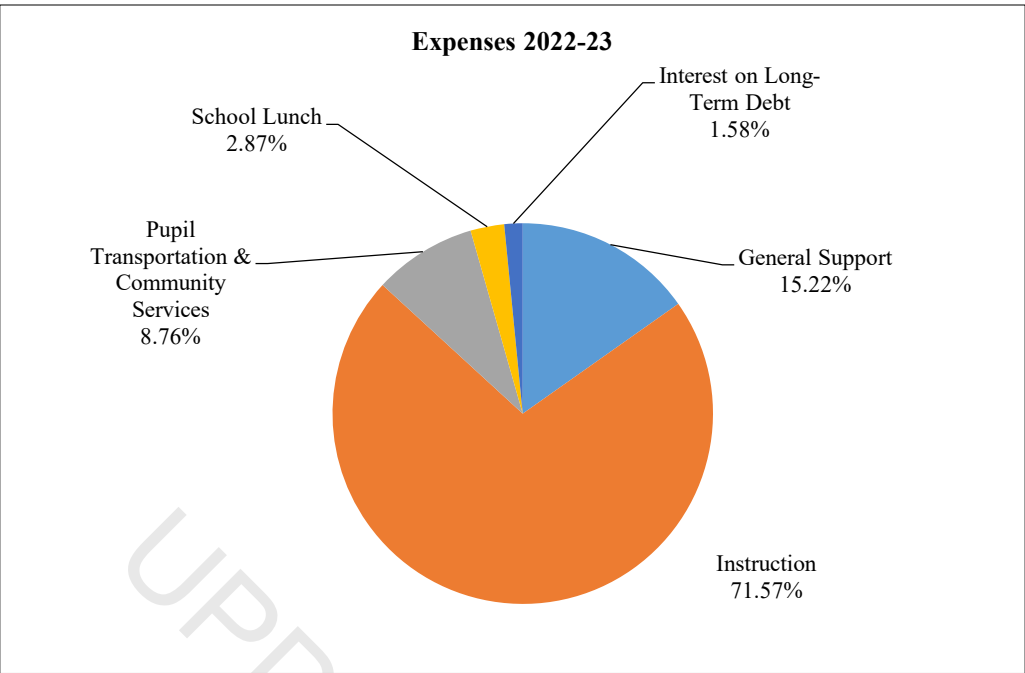
	<b><u>Governmental Activities</u></b>		<b><u>Total</u></b>
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>Variance</u></b>
<b><u>REVENUES:</u></b>			
<b><u>Program -</u></b>			
Charges for Service	\$ 190,962	\$ 232,402	\$ (41,440)
Operating Grants & Contributions	2,062,512	2,016,141	46,371
<b>Total Program</b>	<b>\$ 2,253,474</b>	<b>\$ 2,248,543</b>	<b>\$ 4,931</b>
<b><u>General -</u></b>			
Property Taxes	\$ 7,199,159	\$ 7,002,005	\$ 197,154
Non Property Taxes	258,551	259,811	(1,260)
State and Federal Aid	12,928,541	13,356,155	(427,614)
Investment Earnings	380,811	27,802	353,009
Compensation for Loss	40,800	(57,004)	97,804
Miscellaneous	754,457	441,867	312,590
<b>Total General</b>	<b>\$ 21,562,319</b>	<b>\$ 21,030,636</b>	<b>\$ 531,683</b>
<b>TOTAL REVENUES</b>	<b>\$ 23,815,793</b>	<b>\$ 23,279,179</b>	<b>\$ 536,614</b>
<b><u>EXPENSES:</u></b>			
General Support	\$ 3,185,467	\$ 1,826,819	\$ 1,358,648
Instruction	14,983,352	13,946,250	1,037,102
Pupil Transportation	1,832,307	1,568,953	263,354
Community Services	1,140	230	910
School Lunch	599,945	633,752	(33,807)
Interest	329,731	153,354	176,377
<b>TOTAL EXPENSES</b>	<b>\$ 20,931,942</b>	<b>\$ 18,129,358</b>	<b>\$ 2,802,584</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 2,883,851</b>	<b>\$ 5,149,821</b>	
<b>NET POSITION, BEGINNING</b>			
<b>OF YEAR</b>	<b>(5,568,559)</b>	<b>(10,718,380)</b>	
<b>NET POSITION, END OF YEAR</b>	<b>\$ (2,684,708)</b>	<b>\$ (5,568,559)</b>	

## **Key Variances**

- General Support expense increased as a result of allocations of expense for the changes in the NYS pension system assets in the prior year
- Instruction expense increased as a result of changes to the actuarially determined liabilities for the NYS pension systems and OPEB







### **Financial Analysis of the School District's Funds**

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported combined fund balances of \$14,614,985, which is more than last year's ending fund balance of \$10,141,689.

The General Fund is the chief operating fund of the District. At the end of the current year, the total fund balance of the General Fund was \$11,280,312. Fund balance for the General Fund increased by \$1,504,343 compared with the prior year. See table below:

<b><u>General Fund Balances:</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>Total Variance</u></b>
Nonspendable	\$ 365,890	\$ 402,553	\$ (36,663)
Restricted	9,050,095	7,610,918	1,439,177
Assigned	956,835	913,534	43,301
Unassigned	907,492	848,964	58,528
<b>Total General Fund Balances</b>	<b><u>\$ 11,280,312</u></b>	<b><u>\$ 9,775,969</u></b>	<b><u>\$ 1,504,343</u></b>

### **General Fund Budgetary Highlights**

The difference between the original budget and the final amended budget was \$479,600. This change is attributable to \$94,600 of prior year carryover encumbrances and \$385,000 for bus purchase

The key factors for budget variances in the general fund are listed below along with explanations for each.

<b>Expenditure Items:</b>	<b>Budget Variance Original Vs. Amended</b>	<b>Explanation for Budget Variance</b>
General Support	\$266,200	A roof repair of \$47.5K mostly covered by insurance at the old bus garage, field maintenance for baseball and softball fields at \$70K, \$10K in additional utility costs, additional \$20K for new mower, salary increases for extra summer help and contract adjustments, and \$41K increase to BOCES Data Processing Services
Employee Benefits	(\$503,300)	Medicare Excellus rates decreased by about 50-60% resulting in a \$167K savings and some of the benefits were moved to grants, but had to budget for future years
Transfers-Out	\$454,100	Transfer to Special Aid fund adjustment of \$69.1K and the accounting of \$385K from the Capital bus reserve for bus purchases

	<b>Budget Variance Amended Vs. Actual</b>	
<b>Revenue Items:</b>		<b>Explanation for Budget Variance</b>
Use of Money and Property	\$325,382	Interest earnings from NYCLASS were much higher than expected
Miscellaneous	\$224,691	BOCES refund was higher than expected at \$205K and \$13K reimbursement from Wayne County COVID money
State Sources	\$208,802	Expense based aids paid more than expected
<b>Expenditure Items:</b>	<b>Budget Variance Amended Vs. Actual</b>	<b>Explanation for Budget Variance</b>
General Support	\$286,652	The original budget vs the actual expenditures plus encumbrances differ by \$70K. Explanation is written above for budget variance vs amended.
Instructional	\$758,547	Conservative budgeting to allow room for unexpected special education costs and some teacher salaries and benefits were moved to grants
Employee Benefits	\$738,896	Conservative budgeting along with some employees moved to grants, Medicare premium savings for retirees

### **Capital Asset and Debt Administration**

#### **Capital Assets**

By the end of the 2023 fiscal year, the District had invested \$29,434,433 in a broad range of capital assets, including land, work in progress, buildings and improvements, and machinery and equipment. The change in capital assets, net of accumulated depreciation, is reflected below:

	<b><u>2023</u></b>	<b><u>2022</u></b>
<b><u>Capital Assets:</u></b>		
Land	\$ 139,803	\$ 139,803
Work in Progress	11,680,949	2,752,399
Buildings and Improvements	15,938,646	16,578,629
Machinery and Equipment	1,675,035	1,609,396
<b>Total Capital Assets</b>	<b><u>\$ 29,434,433</u></b>	<b><u>\$ 21,080,227</u></b>
<b><u>Lease Assets:</u></b>		
Equipment	\$ 436,268	\$ 381,887
<b>Total Lease Assets</b>	<b><u>\$ 436,268</u></b>	<b><u>\$ 381,887</u></b>

More detailed information can be found in the notes to the financial statements.

### **Long-Term Debt**

At year end, the District had \$45,387,838 in general obligation bonds and other long-term debt outstanding as follows:

<b><u>Type</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>
Serial Bonds	\$ 14,140,000	\$ 4,225,000
Unamortized Bond Premium	1,404,315	87,688
Retainage Payable	288,667	96,807
OPEB	26,580,555	27,937,801
Net Pension Liability	1,852,107	-
Compensated Absences	1,122,194	972,449
<b>Total Long-Term Obligations</b>	<b><u>\$ 45,387,838</u></b>	<b><u>\$ 33,319,745</u></b>

More detailed information can be found in the notes to the financial statements.

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

The District has been working diligently to reduce legacy costs through contract negotiations by offering sick day buyouts in lieu of or reduced retiree health care benefits. The ARP federal funding is coming to an end after the 2023-24 fiscal year. This money supported extra mental health positions such as social workers and extra academic support and interventions such as midday interventions, mini camps, and after school tutoring. It also allowed for additional art and music offerings. Health care costs and salaries are rising faster than our capped revenue increases limited by the 2% tax cap and 0-3% state aid increases. If there are no significant decreases to expenditures or increases to revenues, the district will be faced with some difficult decisions in terms of staffing and programming.

### **Contacting the School District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the following:

Marion Central School District  
4034 Warner Road  
Marion, New York 14505

**MARION CENTRAL SCHOOL DISTRICT, NEW YORK**

**Statement of Net Position**

**June 30, 2023**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 14,064,798
Accounts receivable	1,778,827
Inventories	11,775
Prepaid items	365,890
<b>Capital Assets:</b>	
Land	139,803
Work in progress	11,680,949
Other capital assets (net of depreciation)	18,049,949
<b>TOTAL ASSETS</b>	<b>\$ 46,091,991</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources	<b>\$ 7,448,644</b>
<b>LIABILITIES</b>	
Accounts payable	\$ 508,624
Accrued liabilities	41,272
Unearned revenues	209,200
Due to other governments	216
Due to teachers' retirement system	777,848
Due to employees' retirement system	74,679
Other liabilities	32,734
<b>Long-Term Obligations:</b>	
Due in one year	1,771,103
Due in more than one year	43,616,735
<b>TOTAL LIABILITIES</b>	<b>\$ 47,032,411</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources	<b>\$ 9,192,932</b>
<b>NET POSITION</b>	
Net investment in capital assets	\$ 16,473,105
<b>Restricted For:</b>	
Reserve for employee retirement system	1,512,260
Accrued benefit liability reserve	1,170,504
Capital reserves	5,162,712
Other purposes	1,825,929
Unrestricted	(28,829,218)
<b>TOTAL NET POSITION</b>	<b>\$ (2,684,708)</b>

(See accompanying notes to financial statements)

**MARION CENTRAL SCHOOL DISTRICT, NEW YORK**

**Statement of Activities**

**For The Year Ended June 30, 2023**

		<b>Program Revenues</b>		<b>Net (Expense)</b>
				<b>Revenue and</b>
				<b>Changes in</b>
				<b>Net Position</b>
<b><u>Functions/Programs</u></b>	<b><u>Expenses</u></b>	<b><u>Charges for</u></b>	<b><u>Operating</u></b>	<b><u>Governmental</u></b>
		<b><u>Services</u></b>	<b><u>Grants and</u></b>	<b><u>Activities</u></b>
			<b><u>Contributions</u></b>	
<b><u>Primary Government</u></b> -				
General support	\$ 3,185,467	\$ -	\$ -	\$ (3,185,467)
Instruction	14,983,352	80,698	1,735,333	(13,167,321)
Pupil transportation	1,832,307	-	-	(1,832,307)
Community services	1,140	-	-	(1,140)
School lunch	599,945	110,264	327,179	(162,502)
Interest	329,731	-	-	(329,731)
<b>Total Primary Government</b>	<b>\$ 20,931,942</b>	<b>\$ 190,962</b>	<b>\$ 2,062,512</b>	<b>\$ (18,678,468)</b>
<b>General Revenues:</b>				
Property taxes				\$ 7,199,159
Non property taxes				258,551
State and federal aid				12,928,541
Investment earnings				380,811
Compensation for loss				40,800
Miscellaneous				754,457
<b>Total General Revenues</b>				<b>\$ 21,562,319</b>
Changes in Net Position				\$ 2,883,851
<b>Net Position, Beginning of Year</b>				<b>(5,568,559)</b>
<b>Net Position, End of Year</b>				<b>\$ (2,684,708)</b>

(See accompanying notes to financial statements)

**MARION CENTRAL SCHOOL DISTRICT, NEW YORK**

**Balance Sheet**

**Governmental Funds**

**June 30, 2023**

	<b>General Fund</b>	<b>Special Aid Fund</b>	<b>Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 10,430,368	\$ 412,014	\$ 2,520,276	\$ 702,140	\$ 14,064,798
Receivables	1,199,342	452,000	-	127,485	1,778,827
Inventories	-	-	-	11,775	11,775
Due from other funds	802,028	112,253	-	9,377	923,658
Prepaid items	365,890	-	-	-	365,890
<b>TOTAL ASSETS</b>	<b>\$ 12,797,628</b>	<b>\$ 976,267</b>	<b>\$ 2,520,276</b>	<b>\$ 850,777</b>	<b>\$ 17,144,948</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b><u>Liabilities</u> -</b>					
Accounts payable	\$ 477,335	\$ 19,434	\$ 10,691	\$ 1,164	\$ 508,624
Accrued liabilities	3,004	-	-	-	3,004
Due to other funds	121,630	802,028	-	-	923,658
Due to other governments	-	-	-	216	216
Due to TRS	777,848	-	-	-	777,848
Due to ERS	74,679	-	-	-	74,679
Other liabilities	32,734	-	-	-	32,734
Unearned revenue	30,086	154,805	-	24,309	209,200
<b>TOTAL LIABILITIES</b>	<b>\$ 1,517,316</b>	<b>\$ 976,267</b>	<b>\$ 10,691</b>	<b>\$ 25,689</b>	<b>\$ 2,529,963</b>
<b><u>Fund Balances</u> -</b>					
Nonspendable	\$ 365,890	\$ -	\$ -	\$ 11,775	\$ 377,665
Restricted	9,050,095	-	2,509,585	516,617	12,076,297
Assigned	956,835	-	-	296,696	1,253,531
Unassigned	907,492	-	-	-	907,492
<b>TOTAL FUND BALANCE</b>	<b>\$ 11,280,312</b>	<b>\$ -</b>	<b>\$ 2,509,585</b>	<b>\$ 825,088</b>	<b>\$ 14,614,985</b>
<b>TOTAL LIABILITIES DEFERRED INFLOWS AND FUND BALANCES</b>	<b>\$ 12,797,628</b>	<b>\$ 976,267</b>	<b>\$ 2,520,276</b>	<b>\$ 850,777</b>	

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

Capital assets/right to use assets used in governmental activities are not financial resources and therefore are not reported in the funds.

29,870,701

Interest is accrued on outstanding bonds in the statement of net position but not in the funds.

(38,268)

The following long-term obligations are not due and payable in the current period and therefore are not reported in the governmental funds:

Serial bonds payable	(14,140,000)
Retainage	(288,667)
OPEB	(26,580,555)
Compensated absences	(1,122,194)
Bond amortization	(1,404,315)
Deferred outflow	30,494
Deferred outflow - pension	4,662,539
Deferred outflow - OPEB	2,755,611
Net pension liability	(1,852,107)
Deferred inflow - pension	(546,190)
Deferred inflow - OPEB	(8,646,742)

**Net Position of Governmental Activities**

**\$ (2,684,708)**

**MARION CENTRAL SCHOOL DISTRICT, NEW YORK**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For The Year Ended June 30, 2023**

	<b>General Fund</b>	<b>Special Aid Fund</b>	<b>Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>					
Real property taxes and tax items	\$ 7,199,159	\$ -	\$ -	\$ -	\$ 7,199,159
Non-property taxes	258,551	-	-	-	258,551
Charges for services	80,698	-	-	-	80,698
Use of money and property	330,382	-	-	50,429	380,811
Sale of property and compensation for loss	40,800	-	-	-	40,800
Miscellaneous	304,691	225,684	-	224,543	754,918
State sources	12,872,605	393,828	-	9,131	13,275,564
Federal sources	55,936	1,341,044	-	318,048	1,715,028
Sales	-	-	-	110,264	110,264
<b>TOTAL REVENUES</b>	<b>\$ 21,142,822</b>	<b>\$ 1,960,556</b>	<b>\$ -</b>	<b>\$ 712,415</b>	<b>\$ 23,815,793</b>
<b>EXPENDITURES</b>					
General support	\$ 2,497,094	\$ -	\$ -	\$ 204,195	\$ 2,701,289
Instruction	10,009,204	1,584,233	-	-	11,593,437
Pupil transportation	1,045,356	192,638	373,921	-	1,611,915
Community services	1,140	-	-	-	1,140
Employee benefits	4,708,804	292,076	-	118,978	5,119,858
Debt service - principal	495,000	-	-	1,127,173	1,622,173
Debt service - interest	299,844	-	-	-	299,844
Cost of sales	-	-	-	194,311	194,311
Other expenses	-	-	-	331,884	331,884
Capital outlay	-	-	8,735,187	-	8,735,187
<b>TOTAL EXPENDITURES</b>	<b>\$ 19,056,442</b>	<b>\$ 2,068,947</b>	<b>\$ 9,109,108</b>	<b>\$ 1,976,541</b>	<b>\$ 32,211,038</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 2,086,380</b>	<b>\$ (108,391)</b>	<b>\$ (9,109,108)</b>	<b>\$ (1,264,126)</b>	<b>\$ (8,395,245)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers - in	\$ 275	\$ 108,391	\$ 473,921	\$ -	\$ 582,587
Transfers - out	(582,312)	-	(275)	-	(582,587)
Proceeds from obligations	-	-	10,410,000	-	10,410,000
BAN's redeemed from appropriations	-	-	1,127,173	-	1,127,173
Premium on obligations issued	-	-	-	1,331,368	1,331,368
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ (582,037)</b>	<b>\$ 108,391</b>	<b>\$ 12,010,819</b>	<b>\$ 1,331,368</b>	<b>\$ 12,868,541</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 1,504,343</b>	<b>\$ -</b>	<b>\$ 2,901,711</b>	<b>\$ 67,242</b>	<b>\$ 4,473,296</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>9,775,969</b>	<b>-</b>	<b>(392,126)</b>	<b>757,846</b>	<b>10,141,689</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 11,280,312</b>	<b>\$ -</b>	<b>\$ 2,509,585</b>	<b>\$ 825,088</b>	<b>\$ 14,614,985</b>

(See accompanying notes to financial statements)



**MARION CENTRAL SCHOOL DISTRICT, NEW YORK**  
**Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances of Governmental Funds to Statement of Activities**  
**For The Year Ended June 30, 2023**

**NET CHANGE IN FUND BALANCES -**  
**TOTAL GOVERNMENTAL FUNDS**

\$ 4,473,296

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following are the amounts by which capital outlays and additions of assets in excess depreciation in the current period:

Capital Outlay	\$ 8,735,187	
Additions to Assets, Net	835,446	
Depreciation	<u>(1,162,046)</u>	
		8,408,587

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position. The following details these items as they effect the governmental activities:

Debt Repayments	\$ 1,622,173	
Proceeds from Bond Issuance	(10,410,000)	
Proceeds from BAN Redemption	(1,127,173)	
Unamortized Bond Premium	<u>(1,316,627)</u>	
		(11,231,627)

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (38,268)

The retainage liability does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds (191,860)

The net OPEB liability does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds. 2,103,651

(Increase) decrease 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	(251,426)
Employees' Retirement System	(232,397)

Portion of deferred (inflow) / outflow recognized in long term debt (6,360)

In the Statement of Activities, vacation pay, teachers' retirement incentive and judgments and claims are measured by the amount accrued during the year. In the governmental funds, expenditures for these items are measured by the amount actually paid. The following provides the differences of these items as presented in the governmental activities:

Compensated Absences	<u>(149,745)</u>
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**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES**

**\$ 2,883,851**

(See accompanying notes to financial statements)

**MARION CENTRAL SCHOOL DISTRICT, NEW YORK**  
**Statement of Fiduciary Net Position**  
**June 30, 2023**

	<b>Custodial Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 106,335
<b>TOTAL ASSETS</b>	<b>\$ 106,335</b>
<b>NET POSITION</b>	
Restricted for individuals, organizations and other governments	\$ 106,335
<b>TOTAL NET POSITION</b>	<b>\$ 106,335</b>

**Statement of Changes in Fiduciary Net Position**  
**For The Year Ended June 30, 2023**

	<b>Custodial Funds</b>
<b>ADDITIONS</b>	
Student activity	\$ 212,286
<b>TOTAL ADDITIONS</b>	<b>\$ 212,286</b>
<b>DEDUCTIONS</b>	
Student activity	\$ 227,217
<b>TOTAL DEDUCTIONS</b>	<b>\$ 227,217</b>
<b>CHANGE IN NET POSITION</b>	\$ (14,931)
<b>NET POSITION, BEGINNING OF YEAR</b>	121,266
<b>NET POSITION, END OF YEAR</b>	<b>\$ 106,335</b>

# MARION CENTRAL SCHOOL DISTRICT, NEW YORK

## Notes To The Basic Financial Statements

June 30, 2023

### I. Summary of Significant Accounting Policies

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

#### A. Reporting Entity

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

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units* and GASB Statement 61, *The Financial Reporting Entity*. 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 District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of certain entities included in the District's reporting entity.

#### 1. Extraclassroom Activity Funds

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

**( I. ) (Continued)**

**B. Joint Venture**

The District is a component of the Ontario, Seneca, Yates, Cayuga, and Wayne Counties Board of Cooperative Educational Services (BOCES). The 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 school district's share of administrative and capital cost is determined by resident public school district enrollment as defined in Education Law, Section 1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

During the year, the District was billed \$3,230,857 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$1,051,498.

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

**C. Basis of Presentation**

**1. Districtwide Statements**

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

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

( I. ) (Continued)

2. **Fund Statements**

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

The District reports the following governmental funds:

a. **Major Governmental Funds**

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

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

**Capital Projects Fund** - Used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

b. **Nonmajor Governmental** - The other funds which are not considered major are aggregated and reported as nonmajor governmental funds as follows:

**School Lunch Fund** - Used to account for transactions of the District's lunch, breakfast and milk programs.

**Miscellaneous Special Revenue Fund** - used to account for and report those revenues that are restricted or committed to expenditures for specified purposes.

**Debt Service Fund** - This fund accounts for the accumulation of resources and the payment of principal and interest on long-term obligations for governmental activities.

c. **Fiduciary** - Fiduciary activities are those in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the District, and are not available to be used.

**Custodial Funds** - These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the District as agent for various student groups or extraclassroom activity funds and for payroll or employee withholding.

**( I. ) (Continued)**

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

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

The District-Wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis revenue from property taxes is recognized in the 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 fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year.

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

**E. Property Taxes**

Real property taxes are levied annually by the Board of Education no later than September 1, and become a lien on August 15, 2022. Taxes are collected during the period September 1 to October 31, 2022.

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

**F. Restricted Resources**

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

**( I. ) (Continued)**

**G. Interfund Transactions**

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

In the District-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds.

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

Refer to Note VII for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

**H. Estimates**

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

**I. Cash and Cash Equivalents**

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

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

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

( I. ) (Continued)

**J.      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.

In addition, the District will report a receivable relating to a lease arrangement. The receivable is recorded at the present value of the future payments and recognized over the life of the lease.

**K.      Inventory and Prepaid Items**

Inventories of food and/or supplies for school lunch are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value which approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

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

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

**L.      Capital Assets**

In the District-wide financial statements, capital assets are accounted for at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their acquisition value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$1,000 is used to report capital assets. The range of estimated useful lives by type of assets is as follows:

<u>Class</u>	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and renovations	\$ 1,000	SL	20-50 Years
Buses	\$ 1,000	SL	8 Years
Furniture and equipment	\$ 1,000	SL	5-20 Years
Site improvements	\$ 1,000	SL	15-20 Years



**( I. ) (Continued)**

The investment in infrastructure type assets have not been segregated for reporting purposes since all costs associated with capital projects are consolidated and reported as additions to buildings and improvements.

**M. Right To Use Assets**

The District-wide financial statements, right-to-use-assets are reported within the major class of the underlying asset and valued at the future minimum lease payment. Amortization is between 5 and 10 years based on the contract terms and/or estimated replacement of the assets.

**N. Unearned Revenue**

The District reports unearned revenues on its Statement of Net Position and its Balance Sheet. On the Statement of Net Position, unearned revenue arises when resources are received by the District before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In subsequent periods, when the District has legal claim to resources, the liability for unearned revenue is removed and revenue is recognized.

**O. Deferred Outflows and Inflows of Resources**

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**P. Vested Employee Benefits**

**1. Compensated Absences**

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

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, employees may use unused accumulated sick leave to offset the cost of required co-pays for medical insurance or may receive a cash payment, based on compliance with certain contractual provisions of employment agreements.

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

**( I. ) (Continued)**

Consistent with GASB Statement 16, Accounting for Compensated Absences, an accrual for accumulated vacation and sick leave is included in accrued liabilities and unused accumulated sick leave for retirees 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 funds statements only the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources. These amounts are expended on a pay-as-you go basis.

**Q.     Other Benefits**

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

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

**R.     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 a BAN issued for capital purposes be converted to long-term financing within five years after the original issue date.

**S.     Accrued Liabilities and Long-Term Obligations**

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

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

( I. ) (Continued)

T. **Equity Classifications**

1. **District-Wide Statements**

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

- a. **Net Investment in Capital Assets** - consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.
- b. **Restricted Net Position** - reports net position when constraints placed on the assets or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

On the Statement of Net Position the following balances represent the restricted for other purposes:

	<b><u>Total</u></b>
Workers' Compensation	\$ 516,714
Unemployment Costs	86,404
Teachers Retirement Contribution	592,411
Liability	9,090
Capital Projects	104,693
Debt	439,049
Scholarships	<u>77,568</u>
<b>Total Net Position - Restricted for Other Purposes</b>	<b><u>\$ 1,825,929</u></b>

- c. **Unrestricted Net Position** - reports the balance of net position that does not meet the definition of the above two classifications . The reported deficit of \$28,829,218 at year end is the result of full implantation of GASB #75 regarding retiree health obligations and the New York State Pension system unfunded pension obligation.

2. **Fund Statements**

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

- a. **Nonspendable Fund Balance** – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes:

	<b><u>Total</u></b>
Inventory in School Lunch	\$ 11,775
Prepaid Items	<u>365,890</u>
<b>Total Nonspendable Fund Balance</b>	<b><u>\$ 377,665</u></b>

( I. ) (Continued)

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

**Capital Reserve** - According to Education Law §3651, must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term and the source of the funds. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. The form for required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. The Reserve is accounted for in the General Fund under restricted fund balance. Year end balances are as follows:

<b><u>Name of Reserve</u></b>	<b><u>Maximum Funding</u></b>	<b><u>Total Funding Provided</u></b>	<b><u>Total Year to Date Balance</u></b>
Capital Bus Reserve-2010	\$ 5,000,000	\$ 5,000,000	\$ 321,998
Capital Bus Reserve-2019	\$ 5,000,000	\$ 2,025,000	\$ 2,073,440
Capital Reserve-2018	\$ 5,000,000	\$ 4,195,246	\$ 2,767,274

**Reserve for Debt Service** - According to General Municipal Law §6-1, the Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of the sale. Also, earnings on project monies invested together with unused proceeds are reported here.

**Liability Reserve** - According to General Municipal Law §1709(8)(c), must be used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and this reserve may not in total exceed 3% of the annual budget or \$15,000, whichever is greater.

**Employee Benefit Accrued Liability Reserve** - According to General Municipal Law §6-p, must be used for the payment of accrued employee benefits due to an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.

**Retirement Contribution Reserve** - According to General Municipal Law §6-r, must be used financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board.

( I. ) (Continued)

**Teachers' Retirement Reserve** - General Municipal Law §6r was amended to include a Teachers' Retirement Reserve (TRS) sub-fund. The reserve has an annual funding limit of 2% of the prior year TRS salaries and a maximum cumulative total balance of 10% of the previous years TRS salary.

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

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

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

( I. ) (Continued)

Restricted fund balances include the following:

	<b><u>Total</u></b>
<b><u>General Fund -</u></b>	
Workers' Compensation	\$ 516,714
Unemployment Costs	86,404
Retirement Contribution - ERS	1,512,260
Retirement Contribution - TRS	592,411
Liability	9,090
Capital Reserves	5,162,712
Employee Benefit Accrued Liability	1,170,504
<b><u>Capital Fund -</u></b>	
Capital Projects	2,509,585
<b><u>Misc Special Revenue Fund -</u></b>	
Scholarships	77,568
<b><u>Debt Service Fund -</u></b>	
Debt Service	439,049
<b>Total Restricted Fund Balance</b>	<b><u><u>\$ 12,076,297</u></u></b>

c. **Assigned Fund Balance** – Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the General Fund are classified as assigned fund balance. Encumbrances represent purchase commitments made by the District's purchasing agent through their authorization of a purchase order prior to year end. The District assignment is based on the functional level of expenditures.

Management has determined significant encumbrances for the General Fund to be \$32,500, the School Lunch Fund to be 3,000, the Capital Projects Fund to be \$16,600, and the Special Aid Fund to be \$4,500.

<b><u>General Fund -</u></b>	
General Support	\$ 92,409
Instruction	\$ 109,999
<b><u>School Lunch Fund -</u></b>	
Equipment	\$ 102,143
<b><u>Capital Projects Fund -</u></b>	
Capital Improvements	\$ 1,379,407

Assigned fund balances include the following:

	<b><u>Total</u></b>
General Fund - Encumbrances	\$ 203,090
General Fund - Appropriated for Taxes	753,745
School Lunch Fund - Year End Equity	296,696
<b>Total Assigned Fund Balance</b>	<b><u><u>\$ 1,253,531</u></u></b>

( I. ) (Continued)

d. **Unassigned Fund Balance** –Includes all other general fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the school district.

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

3. **Order of Use of Fund Balance**

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the general fund are classified as restricted fund balance. In the general fund, the remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

U. **New Accounting Standards**

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

GASB has issued Statement No. 91, *Conduit Debt Obligations*.

GASB has issued Statement No. 93, *Replacement of Interbank Offered Rates, Paragraph 11b*.

GASB has issued Statement No. 96, *Subscription Based Information Technology*.

GASB has issued Statement No. 99, *Omnibus 2022 (leases, PPPs, and SBITAs)*.

V. **Future Changes in Accounting Standards**

GASB has issued Statement No. 100, *Accounting for Changes and Error Corrections-an Amendment of GASB Statement No. 62*, which will be effective for reporting periods beginning after June 15, 2023.

GASB has issued Statement No. 101, *Compensated Absences*, which will be effective for reporting periods beginning after December 15, 2023.

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

## **II. Changes in Accounting Principles**

For the year ended June 30, 2023, the District implemented GASB Statement No. 96, *Subscription Based Information Technology Arrangements (SBITA)*. The implementation of the statement changes the reporting for SBITAs. There was no financial statement impact for the implementation of the Statement.

## **III. Stewardship, Compliance and Accountability**

By its nature as a local government unit, the District is subject to various federal, state and local laws and contractual regulations. An analysis of the District's compliance with significant laws and regulations and demonstration of its stewardship over District resources follows.

### **A. Budgets**

The District administration prepares a proposed budget for approval by the Board of Education for the General Fund.

The voters of the District approved the proposed appropriation budget.

Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restriction, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. During the 2022-23 fiscal year, the budget was increased \$94,600 for prior year carryover encumbrances and \$385,000 for the voter approved purchase of buses.

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

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

### **B. Encumbrances**

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



( III. ) (Continued)

C. **Deficit Net Position**

The District-wide net position had a deficit at June 30, 2023 of \$2,684,708. The deficit is 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 \$26,580,555 at June 30, 2023. Since New York State Laws provide no mechanism for funding the liability, the subsequent accruals are expected to increase the deficit.

IV. **Cash and Cash Equivalents**

**Credit Risk** – In compliance with the State Law, District investments are limited to obligations of the United States of America, obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America, obligations of the State, time deposit accounts and certificates of deposit issued by a bank or trust company located in, and authorized to do business in, the State, and obligations used by other municipalities and authorities with the State.

**Concentration of Credit Risk** – To promote competition in rates and service costs, and to limit the risk of institutional failure, District deposits and investments are placed with multiple institutions. The District’s investment policy limits the amounts that may be deposited with any one financial institution.

**Interest Rate Risk** – The District has an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from rising interest rates.

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

Uncollateralized	\$	-
Collateralized within Trust Department or Agent		4,600,872
<b>Total</b>	<b>\$</b>	<b><u>4,600,872</u></b>

Restricted cash represents cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year end includes \$12,076,297 within the governmental funds and \$106,335 in the custodial funds.

V. **Investment Pool**

The District participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §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.

Total investments of the cooperative as of year end are \$9,608,915, which consisted of \$2,873,066 in repurchase agreements, \$5,531,852 in U.S. Treasury Securities, \$229,653 in FDIC insured bank deposits, and \$974,344 in collateralized bank deposits, with various interest rates and due dates.

( V. ) (Continued)

The following amounts are included as unrestricted and restricted cash:

<u>Fund</u>	<u>Bank Amount</u>	<u>Carrying Amount</u>	<u>Type of Investment</u>
General	\$ 9,099,625	\$ 9,099,625	CLASS
Debt Service	\$ 439,047	\$ 439,047	CLASS
Miscellaneous Special Revenue	\$ 70,243	\$ 70,243	CLASS

**VI. Receivables**

Receivables at June 30, 2023 for individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

<u>Description</u>	<u>Governmental Activities</u>			
	<u>General Fund</u>	<u>Special Aid Fund</u>	<u>Non-Major Funds</u>	<u>Total</u>
Accounts Receivable	\$ 338	\$ 71,926	\$ 23,970	\$ 96,234
Due From State and Federal	350,325	380,074	103,515	833,914
Due From Other Governments	848,679	-	-	848,679
<b>Total Receivables</b>	<b>\$ 1,199,342</b>	<b>\$ 452,000</b>	<b>\$ 127,485</b>	<b>\$ 1,778,827</b>

District management has deemed the amounts to be fully collectible.

**VII. Interfund Receivables, Payables, Revenues and Expenditures**

Interfund Receivables, Payables, Revenues and Expenditures at June 30, 2023 were as follows:

	<u>Interfund</u>			
	<u>Receivables</u>	<u>Payables</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 802,028	\$ 121,630	\$ 275	\$ 582,312
Special Aid Fund	112,253	802,028	108,391	-
Capital Projects Fund	-	-	473,921	275
NonMajor Funds	9,377	-	-	-
<b>Total</b>	<b>\$ 923,658</b>	<b>\$ 923,658</b>	<b>\$ 582,587</b>	<b>\$ 582,587</b>

Interfund receivables and payables between governmental activities are eliminated on the Statement of Net Position. The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are not necessarily expected to be repaid within one year.

Transfers are used to finance certain special aid programs, support capital project expenditures, school lunch programs and debt service expenditures.

## VIII. Capital Assets and Lease Assets

### A. Capital Assets

Capital asset balances and activity were as follows:

<u>Type</u>	<u>Balance 07/01/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/23</u>
<b><u>Governmental Activities:</u></b>				
<b><u>Capital Assets that are not Depreciated -</u></b>				
Land	\$ 139,803	\$ -	\$ -	\$ 139,803
Work in progress	2,752,399	9,023,858	95,308	11,680,949
<i>Total Nondepreciable</i>	<u>\$ 2,892,202</u>	<u>\$ 9,023,858</u>	<u>\$ 95,308</u>	<u>\$ 11,820,752</u>
<b><u>Capital Assets that are Depreciated -</u></b>				
Buildings and Improvements	\$ 30,524,223	\$ 95,308	\$ -	\$ 30,619,531
Machinery and equipment	5,693,402	444,604	341,722	5,796,284
<i>Total Depreciated Assets</i>	<u>\$ 36,217,625</u>	<u>\$ 539,912</u>	<u>\$ 341,722</u>	<u>\$ 36,415,815</u>
<b><u>Less Accumulated Depreciation -</u></b>				
Buildings and Improvements	\$ 13,945,594	\$ 735,291	\$ -	\$ 14,680,885
Machinery and equipment	4,084,006	336,249	299,006	4,121,249
<i>Total Accumulated Depreciation</i>	<u>\$ 18,029,600</u>	<u>\$ 1,071,540</u>	<u>\$ 299,006</u>	<u>\$ 18,802,134</u>
<i>Total Capital Assets Depreciated, Net of Accumulated Depreciation</i>	<u>\$ 18,188,025</u>	<u>\$ (531,628)</u>	<u>\$ 42,716</u>	<u>\$ 17,613,681</u>
<b>Total Capital Assets</b>	<u><b>\$ 21,080,227</b></u>	<u><b>\$ 8,492,230</b></u>	<u><b>\$ 138,024</b></u>	<u><b>\$ 29,434,433</b></u>

### B. Lease Assets

A summary of the lease asset activity during the year ended June 30, 2023 is as follows:

<u>Type</u>	<u>Balance 07/01/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/23</u>
<b><u>Lease Assets:</u></b>				
Equipment	\$ 648,886	\$ 146,219	\$ 30,946	\$ 764,159
<i>Total Lease Assets</i>	<u>\$ 648,886</u>	<u>\$ 146,219</u>	<u>\$ 30,946</u>	<u>\$ 764,159</u>
<b><u>Less Accumulated Amortization -</u></b>				
Equipment	\$ 266,999	\$ 90,506	\$ 29,614	\$ 327,891
<i>Total Accumulated Amortization</i>	<u>\$ 266,999</u>	<u>\$ 90,506</u>	<u>\$ 29,614</u>	<u>\$ 327,891</u>
<i>Total Lease Assets, Net</i>	<u><b>\$ 381,887</b></u>	<u><b>\$ 55,713</b></u>	<u><b>\$ 1,332</b></u>	<u><b>\$ 436,268</b></u>

### C. Other capital assets (net of depreciation and amortization)

	<b><u>Total</u></b>
Depreciated Capital Assets, net	\$ 17,613,681
Amortized Lease Assets, net	436,268
<b>Total Other Capital Assets, Net</b>	<u><b>\$ 18,049,949</b></u>

( VIII. ) (Continued)

D. Depreciation/Amortization expense for the period was charged to functions/programs as follows:

	<u>Depreciation</u>	<u>Amortization</u>	<u>Total</u>
General Government Support	\$ 12,118	\$ -	\$ 12,118
Instruction	708,269	90,506	798,775
Pupil Transportation	325,395	-	325,395
School Lunch	25,758	-	25,758
<b>Total Depreciation/ Amortization Expense</b>	<b>\$ 1,071,540</b>	<b>\$ 90,506</b>	<b>\$ 1,162,046</b>

IX. Short-Term Debt

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

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance 07/01/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/23</u>
Reconstruction BAN	6/29/2023	2.60%	\$ 7,600,000	\$ -	\$ 7,600,000	\$ -
<b>Total Short-Term Debt</b>			<b>\$ 7,600,000</b>	<b>\$ -</b>	<b>\$ 7,600,000</b>	<b>\$ -</b>

Short-term interest expense for the year was \$197,600.

X. Long-Term Debt Obligations

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

	<u>Balance 07/01/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/23</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
<b><u>Bonds and Notes Payable -</u></b>					
Serial Bonds	\$ 4,225,000	\$ 10,410,000	\$ 495,000	\$ 14,140,000	\$ 1,100,000
Unamortized Bond Premium	87,688	1,331,368	14,741	1,404,315	101,887
<b>Total Bonds and Notes Payable</b>	<b>\$ 4,312,688</b>	<b>\$ 11,741,368</b>	<b>\$ 509,741</b>	<b>\$ 15,544,315</b>	<b>\$ 1,201,887</b>
<b><u>Other Liabilities -</u></b>					
Net Pension Liability	\$ -	\$ 1,852,107	\$ -	\$ 1,852,107	\$ -
OPEB	27,937,801	-	1,357,246	26,580,555	-
Retainage Payable	96,807	191,860	-	288,667	288,667
Compensated Absences	972,449	149,745	-	1,122,194	280,549
<b>Total Other Liabilities</b>	<b>\$ 29,007,057</b>	<b>\$ 2,193,712</b>	<b>\$ 1,357,246</b>	<b>\$ 29,843,523</b>	<b>\$ 569,216</b>
<b>Total Long-Term Obligations</b>	<b>\$ 33,319,745</b>	<b>\$ 13,935,080</b>	<b>\$ 1,866,987</b>	<b>\$ 45,387,838</b>	<b>\$ 1,771,103</b>

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

( X. ) (Continued)

Existing serial and statutory bond obligations:

<u>Description</u>	<u>Original Amount</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding 06/30/23</u>
<b><u>Serial Bonds -</u></b>					
Refunding	\$ 1,065,000	2020	2025	2.00%	\$ 295,000
Refunding	\$ 1,920,000	2012	2029	2.00%-4.50%	660,000
Reconstruction	\$ 3,450,000	2020	2036	2.00%-2.25%	2,775,000
Reconstruction	\$ 10,410,000	2023	2038	5.00%	10,410,000
<b>Total Serial Bonds</b>					<b><u>\$ 14,140,000</u></b>

The following is a summary of debt service requirements:

	<u>Serial Bonds</u>	
<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,100,000	\$ 765,152
2025	1,185,000	569,694
2026	1,145,000	520,243
2027	1,195,000	470,119
2028	1,040,000	417,669
2029-33	4,485,000	1,480,344
2034-38	3,990,000	559,625
<b>Total</b>	<b><u>\$ 14,140,000</u></b>	<b><u>\$ 4,782,846</u></b>

Interest on long-term debt for June 30, 2023 was composed of:

Interest Paid	\$ 102,244
Less: Amortization of premiums on serial bond	(14,741)
Plus: Amortization of deferred refunding	6,360
Plus: Interest Accrued in the Current Year	38,268
<b>Total Long-Term Interest Expense</b>	<b><u>\$ 132,131</u></b>

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

The following is a summary of the deferred inflows/outflows of resources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Pension	\$ 4,662,539	\$ 546,190
Bonds	30,494	-
OPEB	2,755,611	8,646,742
<b>Total</b>	<b><u>\$ 7,448,644</u></b>	<b><u>\$ 9,192,932</u></b>

## **XII. Pension Plans**

### **A. General Information**

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

### **B. Provisions and Administration**

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

ERS 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. NYSRSSL govern obligations of employers and employees to contribute, and benefits to employees. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to NYSERS, Office of the State Comptroller, 110 State Street, Albany, New York 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php).

### **C. Funding Policies**

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year.

( XII. ) (Continued)

The District's share of the required contributions, based on covered payroll paid for the District's year ended June 30, 2023:

<u>Contributions</u>		<u>ERS</u>		<u>TRS</u>
2023	\$	211,444	\$	777,848

**D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions**

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2023	June 30, 2022
Net pension assets/(liability)	\$ (1,135,626)	\$ (716,481)
District's portion of the Plan's total net pension asset/(liability)	0.005%	0.037%

For the year ended June 30, 2023, the District recognized pension expenses of \$447,229 for ERS and \$882,884 for TRS. At June 30, 2023 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 120,953	\$ 750,782	\$ 31,893	\$ 14,357
Changes of assumptions	551,533	1,389,852	6,095	288,619
Net difference between projected and actual earnings on pension plan investments	-	925,762	6,672	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	149,421	1,567	51,916	146,638
Subtotal	\$ 821,907	\$ 3,067,963	\$ 96,576	\$ 449,614
District's contributions subsequent to the measurement date	74,679	697,990	-	-
<b>Grand Total</b>	<b>\$ 896,586</b>	<b>\$ 3,765,953</b>	<b>\$ 96,576</b>	<b>\$ 449,614</b>

( XII. ) (Continued)

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

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2023	\$ -	\$ 501,653
2024	188,165	248,328
2025	(35,357)	(144,957)
2026	248,116	1,800,079
2027	324,407	213,256
Thereafter	-	(10)
<b>Total</b>	<b>\$ 725,331</b>	<b>\$ 2,618,349</b>

**E. Actuarial Assumptions**

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

Significant actuarial assumptions used in the valuations were as follows:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2023	June 30, 2022
Actuarial valuation date	April 1, 2022	June 30, 2021
Interest rate	5.90%	6.95%
Salary scale	4.40%	5.18%-1.95%
Decrement tables	April 1, 2015- March 31, 2020 System's Experience	July 1, 2009- June 30, 2014 System's Experience
Inflation rate	2.90%	2.40%
COLA's	1.50%	1.30%

For ERS, 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-2021. For TRS, annuitant mortality rates are based on plan member experience adjustments for mortality improvements based on Society of Actuaries Scale MP-2021.

The long term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2023 are summarized as follows:



( XII. ) (Continued)

Long Term Expected Rate of Return		
	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2023	June 30, 2022
<u>Asset Type -</u>		
Domestic equity	4.30%	6.50%
International equity	6.85%	7.20%
Global equity	0.00%	6.90%
Private equity	7.50%	9.90%
Real estate	4.60%	6.20%
Opportunistic portfolios	5.38%	0.00%
Real assets	5.84%	0.00%
Bonds and mortgages	0.00%	0.60%
Cash	0.00%	-0.30%
Private debt	0.00%	5.30%
Real estate debt	0.00%	2.40%
High-yield fixed income securities	0.00%	3.30%
Domestic fixed income securities	0.00%	1.10%
Global fixed income securities	0.00%	0.00%
Short-term	0.00%	0.00%
Credit	5.43%	0.00%

The real rate of return is net of the long-term inflation assumption of 2.5% for ERS and 2.4% for TRS.

**F. Discount Rate**

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

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

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

( XII. ) (Continued)

<u>ERS</u>	1% Decrease <u>(4.90%)</u>	Current Assumption <u>(5.90%)</u>	1% Increase <u>(6.90%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ (2,744,321)	\$ (1,135,626)	\$ 208,626

<u>TRS</u>	1% Decrease <u>(5.95%)</u>	Current Assumption <u>(6.95%)</u>	1% Increase <u>(7.95%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ (6,606,293)	\$ (716,481)	\$ 4,236,812

**H. Pension Plan Fiduciary Net Position**

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

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

**I. Payables to the Pension Plan**

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Accrued retirement contributions as of June 30, 2023 represent the projected employer contribution for the period of April 1, 2023 through June 30, 2023 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2023 amounted to \$74,679.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2023 are paid to the System in September, October and November 2023 through a state aid intercept. Accrued retirement contributions as of June 30, 2023 represent employee and employer contributions for the fiscal year ended June 30, 2023 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2023 amounted to \$777,848.

### **XIII. Postemployment Benefits**

#### **A. General Information About the OPEB Plan**

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

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

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

Inactive employees or beneficiaries currently receiving benefit payments	204
Active Employees	123
<b>Total</b>	<b>327</b>

#### **B. Total OPEB Liability**

The District’s total OPEB liability of \$26,580,555 was measured as of June 30, 2023, and was determined by an actuarial valuation as of that date.

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

Inflation	2.40 percent
Salary Increases	2.40 percent, average, including inflation
Discount Rate	3.65 percent
Healthcare Cost Trend Rates	Initial rate of 5.80% decreasing to an ultimate rate of 3.80% over 55 years
Retirees' Share of Benefit-Related Costs	Varies depending on contract

The discount rate was based on a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on the Pub-2010 Headcount Weighted Mortality Table generationally projected using the MP-2021 Ultimate Scale.

( XIII. ) (Continued)

**C. Changes in the Total OPEB Liability**

Balance at June 30, 2022	\$ 27,937,801
<u>Changes for the Year -</u>	
Service cost	\$ 599,387
Interest	988,626
Changes of benefit terms	44,015
Differences between expected and actual experience	(1,540,815)
Changes in assumptions or other inputs	(217,982)
Benefit payments	(1,230,477)
Net Changes	<u>\$ (1,357,246)</u>
<b>Balance at June 30, 2023</b>	<b><u>\$ 26,580,555</u></b>

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate* – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65 percent) or 1-percentage-point higher (4.65 percent) than the current discount rate:

	<b>1% Decrease (2.65%)</b>	<b>Discount Rate (3.65%)</b>	<b>1% Increase (4.65%)</b>
Total OPEB Liability	\$ 30,145,104	\$ 26,580,555	\$ 23,626,634

*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 (4.80 percent decreasing to 2.80 percent) or 1-percentage-point higher (6.80 percent decreasing to 4.80 percent) than the current healthcare cost trend rate:

	<b>1% Decrease (4.80% Decreasing to 2.80%)</b>	<b>Healthcare Cost Trend Rates (5.80% Decreasing to 3.80%)</b>	<b>1% Increase (6.80% Decreasing to 4.80%)</b>
Total OPEB Liability	\$ 23,121,427	\$ 26,580,555	\$ 30,873,927

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$873,174. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

( XIII. ) (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,427,713
Changes of assumptions	2,755,611	6,219,029
<b>Total</b>	<b>\$ 2,755,611</b>	<b>\$ 8,646,742</b>

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

<u>Year</u>	
2024	\$ (2,481,373)
2025	(937,725)
2026	(1,239,292)
2027	(915,584)
2028	(288,328)
Thereafter	(28,829)
<b>Total</b>	<b>\$ (5,891,131)</b>

**XIV. Risk Management**

**A. General Information**

The District is exposed to various risks of loss related to injuries to employees, theft, damages, natural disasters, etc. 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.

**B. Workers' Compensation**

The District incurs costs related to the Wayne-Finger Lakes Area School Workers' Compensation Plan (Plan) sponsored by the Board of Cooperative Educational Services, of Ontario, Seneca, Yates, Cayuga and Wayne Counties and its component districts. The Plan's objectives are to furnish workers' compensation benefits to participating districts at a significant cost savings. Membership in the Plan may be offered to any component district of the Ontario, Seneca, Yates, Cayuga and Wayne Counties BOCES with the approval of the Board of Directors. Voluntary withdrawal from the Plan may be effective only once annually on the last day of the Plan year as may be established by the Board of Directors. Notice of the Intention to Withdraw must be given in writing to the Chairman of the Board of Directors and the Treasurer not less than one year prior to the end of the Plan year.

**( XIV. ) (Continued)**

Plan membership is currently comprised of Wayne-Finger Lakes BOCES and twenty-two districts. If a surplus of participants' assessments exists after the close of a Plan year, the Board may retain from such surplus an amount sufficient to establish and maintain a claim contingency fund. Surplus funds in excess of the amount transferred to or included in such contingency fund shall be applied in reduction of the next annual assessment or to the billing of Plan participants. All monies paid to the Treasurer by participants shall be commingled and administered as a common fund. No refunds shall be made to a participant and no assessments shall be charged to a participant other than the annual assessment. However, if it appears to the Board of Directors that the liabilities of the Plan will exceed its cash assets, after taking into account any "excess insurance", the Board shall determine the amount needed to meet such deficiency and shall assess such amount against all participants pro-rata per enrollee.

The Plan purchases, on an annual basis, stop-loss insurance to limit its exposure for claims paid.

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 expenses in the periods in which they are made. During the year ended June 30, 2023, the Marion Central School District incurred premiums or contribution expenditures totaling \$77,164.

The Plan is audited on an annual basis and is available at the BOCES administrative offices. The most recent audit available for the year ended June 30, 2022, revealed that the Plan is fully funded.

**C. Unemployment**

District employees are entitled to coverage under the New York State Unemployment Insurance Law. The District has elected to discharge its liability to the New York State Unemployment Insurance Fund (the Fund) by the benefit reimbursement method, a dollar-for-dollar reimbursement to the fund for benefits paid from the fund to former employees. The District has established a self insurance fund to pay these claims. The claim and judgment expenditures of this program for the 2022-23 fiscal year totaled \$6,569. The balance of the fund at June 30, 2023 was \$86,404 and is recorded in the General Fund as an Unemployment Insurance Reserve. In addition, as of June 30, 2023, no loss contingencies existed or were considered probable or estimable for incurred but not reported claims payable.

**XV. Commitments and Contingencies**

**A. Litigation**

There is no litigation pending against the District as of the balance sheet date.

**B. Grants**

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

## **XVI. Tax Abatement**

The County of Wayne IDA, and the District enter into various property tax abatement programs for the purpose of Economic Development. As a result, the district property tax revenue was reduced \$4,070. The District received payment in lieu of tax (PILOT) payment totaling \$11,798 to help offset the property tax reduction.

UPDATED DRAFT

**Required Supplementary Information**  
**MARION CENTRAL SCHOOL DISTRICT, NEW YORK**  
**Schedule of Changes in District's Total OPEB Liability and Related Ratio**  
**For The Year Ended June 30, 2023**

	<b>TOTAL OPEB LIABILITY</b>					
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
Service cost	\$ 599,387	\$ 841,861	\$ 755,532	\$ 649,509	\$ 991,939	\$ 944,737
Interest	988,626	729,817	723,748	960,628	1,184,874	1,158,515
Changes in benefit terms	44,015	-	-	-	-	-
Differences between expected and actual experiences	(1,540,815)	-	(2,051,514)	-	(522,778)	(161,496)
Changes of assumptions or other inputs	(217,982)	(5,960,191)	2,742,985	4,765,720	(12,229,006)	-
Benefit payments	<u>(1,230,477)</u>	<u>(1,232,709)</u>	<u>(1,203,424)</u>	<u>(1,152,411)</u>	<u>(1,113,049)</u>	<u>(1,107,611)</u>
<b>Net Change in Total OPEB Liability</b>	<b>\$ (1,357,246)</b>	<b>\$ (5,621,222)</b>	<b>\$ 967,327</b>	<b>\$ 5,223,446</b>	<b>\$ (11,688,020)</b>	<b>\$ 834,145</b>
<b>Total OPEB Liability - Beginning</b>	<b><u>\$ 27,937,801</u></b>	<b><u>\$ 33,559,023</u></b>	<b><u>\$ 32,591,696</u></b>	<b><u>\$ 27,368,250</u></b>	<b><u>\$ 39,056,270</u></b>	<b><u>\$ 38,222,125</u></b>
<b>Total OPEB Liability - Ending</b>	<b><u><u>\$ 26,580,555</u></u></b>	<b><u><u>\$ 27,937,801</u></u></b>	<b><u><u>\$ 33,559,023</u></u></b>	<b><u><u>\$ 32,591,696</u></u></b>	<b><u><u>\$ 27,368,250</u></u></b>	<b><u><u>\$ 39,056,270</u></u></b>
Covered Employee Payroll	\$ 6,267,139	\$ 5,723,643	\$ 5,723,643	\$ 5,783,236	\$ 5,783,236	\$ 7,125,927
Total OPEB Liability as a Percentage of Covered Employee Payroll	424.13%	488.11%	586.32%	563.55%	473.23%	548.09%

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present.



**Required Supplementary Information**  
**MARION CENTRAL SCHOOL DISTRICT, NEW YORK**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**For The Year Ended June 30, 2023**

<b>NYSERS Pension Plan</b>										
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Proportion of the net pension liability (assets)	0.0052958%	0.0045362%	0.0052872%	0.0054868%	0.0052121%	0.0051251%	0.0052021%	0.0057610%	0.0061960%	0.0061960%
Proportionate share of the net pension liability (assets)	\$ 1,135,626	\$ 370,815	\$ (5,265)	\$ (1,452,931)	\$ (369,295)	\$ (165,409)	\$ (488,802)	\$ (924,598)	\$ (209,316)	\$ (279,989)
Covered-employee payroll	\$ 1,918,568	\$ 1,777,445	\$ 1,950,527	\$ 1,900,073	\$ 1,709,534	\$ 1,687,465	\$ 1,708,790	\$ 1,719,798	\$ 1,807,741	\$ 1,786,038
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	59.191%	20.862%	-0.270%	-76.467%	-21.602%	-9.802%	-28.605%	-53.762%	-11.579%	-15.677%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%	97.20%
<b>NYSTRS Pension Plan</b>										
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Proportion of the net pension liability (assets)	0.037338%	0.035394%	0.034861%	0.034827%	0.034065%	0.034007%	0.033630%	0.034438%	0.034306%	0.034400%
Proportionate share of the net pension liability (assets)	\$ 716,481	\$ 6,133,362	\$ (963,303)	\$ 904,813	\$ 615,986	\$ 258,847	\$ (360,191)	\$ 3,576,961	\$ 3,821,502	\$ 3,821,502
Covered-employee payroll	\$ 6,783,188	\$ 6,614,579	\$ 6,007,419	\$ 5,917,009	\$ 5,813,224	\$ 5,548,817	\$ 5,610,278	\$ 5,348,262	\$ 5,172,983	\$ 5,067,567
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	10.563%	92.725%	-16.035%	15.292%	10.596%	4.665%	-6.420%	66.881%	73.874%	75.411%
Plan fiduciary net position as a percentage of the total pension liability	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%	100.70%

(See Independent Auditors' Report)

**Required Supplementary Information**  
**MARION CENTRAL SCHOOL DISTRICT, NEW YORK**  
**Schedule of District Contributions**  
**For The Year Ended June 30, 2023**

**NYSERS Pension Plan**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$ 211,444	\$ 281,042	\$ 281,620	\$ 270,250	\$ 250,067	\$ 255,664	\$ 261,551	\$ 260,255	\$ 332,593	\$ 248,817
Contributions in relation to the contractually required contribution	(211,444)	(281,042)	(281,620)	(270,250)	(250,067)	(255,664)	(261,551)	(260,255)	(332,593)	(248,817)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 1,918,568	\$ 1,777,445	\$ 1,950,527	\$ 1,900,073	\$ 1,709,534	\$ 1,687,465	\$ 1,708,790	\$ 1,719,798	\$ 1,807,741	\$ 1,786,038
Contributions as a percentage of covered-employee payroll	11.02%	15.81%	14.44%	14.22%	14.63%	15.15%	15.31%	15.13%	18.40%	13.93%

**NYSTRS Pension Plan**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$ 777,848	\$ 648,229	\$ 572,507	\$ 524,247	\$ 617,364	\$ 543,784	\$ 631,102	\$ 697,303	\$ 882,785	\$ 596,597
Contributions in relation to the contractually required contribution	(777,848)	(648,229)	(572,507)	(524,247)	(617,364)	(543,784)	(631,102)	(697,303)	(882,785)	(596,597)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 6,783,188	\$ 6,614,579	\$ 6,007,419	\$ 5,917,009	\$ 5,813,224	\$ 5,548,817	\$ 5,610,278	\$ 5,348,262	\$ 5,172,983	\$ 5,067,567
Contributions as a percentage of covered-employee payroll	11.47%	9.80%	9.53%	8.86%	10.62%	9.80%	11.25%	13.04%	17.07%	11.77%

(See Independent Auditors' Report)

**Required Supplementary Information**  
**MARION CENTRAL SCHOOL DISTRICT, NEW YORK**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget (Non-GAAP Basis) and Actual - General Fund**  
**For The Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Current Year's Revenues</u>	<u>Over (Under) Revised Budget</u>
<b>REVENUES</b>				
<b>Local Sources -</b>				
Real property taxes	\$ 7,176,358	\$ 6,058,437	\$ 6,058,437	\$ -
Real property tax items	-	1,117,921	1,140,722	22,801
Non-property taxes	260,000	260,000	258,551	(1,449)
Charges for services	5,000	5,000	80,698	75,698
Use of money and property	5,000	5,000	330,382	325,382
Sale of property and compensation for loss	-	-	40,800	40,800
Miscellaneous	80,000	80,000	304,691	224,691
<b>State Sources -</b>				
Basic formula	11,499,772	11,499,772	9,994,891	(1,504,881)
Lottery aid	-	-	1,618,530	1,618,530
BOCES	1,100,251	1,100,251	1,051,498	(48,753)
Textbooks	52,101	52,101	38,387	(13,714)
All Other Aid -				
Computer software	11,679	11,679	20,943	9,264
Library loan	-	-	3,925	3,925
Other aid	-	-	144,431	144,431
<b>Federal Sources</b>	15,000	15,000	55,936	40,936
<b>TOTAL REVENUES</b>	<u>\$ 20,205,161</u>	<u>\$ 20,205,161</u>	<u>\$ 21,142,822</u>	<u>\$ 937,661</u>
<b>Other Sources -</b>				
Transfer - in	\$ -	\$ -	\$ 275	\$ 275
<b>TOTAL REVENUES AND OTHER   SOURCES</b>	<u>\$ 20,205,161</u>	<u>\$ 20,205,161</u>	<u>\$ 21,143,097</u>	<u>\$ 937,936</u>
Appropriated reserves	<u>\$ 200,000</u>	<u>\$ 585,000</u>		
Appropriated fund balance	<u>\$ 818,933</u>	<u>\$ 818,933</u>		
Prior year encumbrances	<u>\$ 94,601</u>	<u>\$ 94,601</u>		
<b>TOTAL REVENUES AND   APPROPRIATED RESERVES/   FUND BALANCE</b>	<u><u>\$ 21,318,695</u></u>	<u><u>\$ 21,703,695</u></u>		

**Required Supplementary Information**  
**MARION CENTRAL SCHOOL DISTRICT, NEW YORK**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget (Non-GAAP Basis) and Actual - General Fund**  
**For The Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Current Year's Expenditures</u>	<u>Encumbrances</u>	<u>Unencumbered Balances</u>
<b>EXPENDITURES</b>					
<b>General Support -</b>					
Board of education	\$ 19,400	\$ 19,400	\$ 15,291	\$ 20	\$ 4,089
Central administration	256,125	223,725	189,294	-	34,431
Finance	513,395	517,495	506,943	-	10,552
Staff	156,640	156,640	124,278	-	32,362
Central services	1,420,395	1,658,595	1,398,692	92,389	167,514
Special items	244,000	300,300	262,596	-	37,704
<b>Instructional -</b>					
Instruction, administration and improvement	630,850	673,053	615,945	435	56,673
Teaching - regular school	4,410,721	4,410,620	4,228,941	73,418	108,261
Programs for children with handicapping conditions	3,624,980	3,538,538	3,073,549	30,546	434,443
Occupational education	340,000	333,140	304,636	-	28,504
Teaching - special schools	50,500	58,700	46,589	1,956	10,155
Instructional media	874,225	1,005,925	942,792	1,539	61,594
Pupil services	842,274	857,774	796,752	2,105	58,917
<b>Pupil Transportation</b>	1,027,690	1,091,490	1,045,356	682	45,452
<b>Community Services</b>	3,000	3,000	1,140	-	1,860
<b>Employee Benefits</b>	5,951,000	5,447,700	4,708,804	-	738,896
<b>Debt service - principal</b>	495,000	495,000	495,000	-	-
<b>Debt service - interest</b>	318,500	318,500	299,844	-	18,656
<b>TOTAL EXPENDITURES</b>	<u>\$ 21,178,695</u>	<u>\$ 21,109,595</u>	<u>\$ 19,056,442</u>	<u>\$ 203,090</u>	<u>\$ 1,850,063</u>
<b>Other Uses -</b>					
Transfers - out	\$ 140,000	\$ 594,100	\$ 582,312	\$ -	\$ 11,788
<b>TOTAL EXPENDITURES AND OTHER USES</b>	<u>\$ 21,318,695</u>	<u>\$ 21,703,695</u>	<u>\$ 19,638,754</u>	<u>\$ 203,090</u>	<u>\$ 1,861,851</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,504,343</b>		
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>9,775,969</u>	<u>9,775,969</u>	<u>9,775,969</u>		
<b>FUND BALANCE, END OF YEAR</b>	<u><b>\$ 9,775,969</b></u>	<u><b>\$ 9,775,969</b></u>	<u><b>\$ 11,280,312</b></u>		

**Note to Required Supplementary Information:**

A reconciliation is not necessary since encumbrances are presented in a separate column on this schedule.

Supplementary Information  
**MARION CENTRAL SCHOOL DISTRICT, NEW YORK**  
**Schedule of Change From Adopted Budget To Final Budget**  
**And The Real Property Tax Limit**  
**For The Year Ended June 30, 2023**

**CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET:**

Adopted budget	\$ 21,224,094
Prior year's encumbrances	<u>94,600</u>
<b>Original Budget</b>	<b>\$ 21,318,694</b>
Budget revisions -	
Bus Purchase	<u>385,000</u>
<b>FINAL BUDGET</b>	<b><u><u>\$ 21,703,694</u></u></b>

**SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION:**

2023-24 voter approved expenditure budget	\$ 22,687,300
<u>Unrestricted fund balance:</u>	
Assigned fund balance	\$ 956,835
Unassigned fund balance	<u>907,492</u>
Total Unrestricted fund balance	<u>\$ 1,864,327</u>
<u>Less adjustments:</u>	
Appropriated fund balance	\$ 753,745
Encumbrances included in assigned fund balance	<u>203,090</u>
Total adjustments	<u>\$ 956,835</u>
General fund fund balance subject to Section 1318 of	
Real Property Tax Law	<u>907,492</u>
<b>ACTUAL PERCENTAGE</b>	<b><u><u>4.00%</u></u></b>

Supplementary Information  
MARION CENTRAL SCHOOL DISTRICT, NEW YORK  
CAPITAL PROJECTS FUND  
Schedule of Project Expenditures  
For The Year Ended June 30, 2023

<u>Project Title</u>	<u>Expenditures</u>					<u>Unexpended Balance</u>	<u>Methods of Financing</u>				<u>Fund Balance</u>
	<u>Original Appropriation</u>	<u>Revised Appropriation</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>		<u>Obligations</u>	<u>Local Sources</u>	<u>Transfers</u>	<u>Total</u>	
2021 Capital Project	\$ 14,000,000	\$ 14,000,000	\$ 2,752,401	\$ 8,639,880	\$ 11,392,281	2,607,719	\$ 10,410,000	\$ 3,387,173	\$ -	\$ 13,797,173	\$ 2,404,892
Capial Outlay (2020-21)	100,000	100,000	99,725	-	99,725	275	-	100,000	(275)	99,725	-
Capital Outlay (2021-22)	100,000	100,000	-	95,307	95,307	4,693	-	100,000	-	100,000	4,693
Capital Outlay (2022-23)	100,000	100,000	-	-	-	100,000	-	100,000	-	100,000	100,000
Bus Purchases (2022-23)	385,000	385,000	-	373,921	373,921	11,079	-	373,921	-	373,921	-
<b>TOTAL</b>	<b>\$ 14,685,000</b>	<b>\$ 14,685,000</b>	<b>\$ 2,852,126</b>	<b>\$ 9,109,108</b>	<b>\$ 11,961,234</b>	<b>\$ 2,723,766</b>	<b>\$ 10,410,000</b>	<b>\$ 4,061,094</b>	<b>\$ (275)</b>	<b>\$ 14,470,819</b>	<b>\$ 2,509,585</b>

**Supplementary Information**  
**MARION CENTRAL SCHOOL DISTRICT, NEW YORK**  
**Combining Balance Sheet - Nonmajor Governmental Funds**  
**June 30, 2023**

	Special			Total
	Revenue Funds		Debt	Nonmajor
	School	Miscellaneous	Debt	Nonmajor
	Lunch	Special Revenue	Service	Governmental
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 185,523	\$ 77,568	\$ 439,049	\$ 702,140
Receivables	127,485	-	-	127,485
Inventories	11,775	-	-	11,775
Due from other funds	9,377	-	-	9,377
<b>TOTAL ASSETS</b>	<b>\$ 334,160</b>	<b>\$ 77,568</b>	<b>\$ 439,049</b>	<b>\$ 850,777</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b><u>Liabilities</u> -</b>				
Accounts payable	\$ 1,164	\$ -	\$ -	\$ 1,164
Due to other governments	216	-	-	216
Unearned revenue	24,309	-	-	24,309
<b>TOTAL LIABILITIES</b>	<b>\$ 25,689</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,689</b>
<b><u>Fund Balances</u> -</b>				
Nonspendable	\$ 11,775	\$ -	\$ -	\$ 11,775
Restricted	-	77,568	439,049	516,617
Assigned	296,696	-	-	296,696
<b>TOTAL FUND BALANCE</b>	<b>\$ 308,471</b>	<b>\$ 77,568</b>	<b>\$ 439,049</b>	<b>\$ 825,088</b>
<b>TOTAL LIABILITIES AND</b>				
<b>FUND BALANCES</b>	<b>\$ 334,160</b>	<b>\$ 77,568</b>	<b>\$ 439,049</b>	<b>\$ 850,777</b>

**Supplementary Information**  
**MARION CENTRAL SCHOOL DISTRICT, NEW YORK**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For The Year Ended June 30, 2023**

	<b>Special Revenue Funds</b>		<b>Debt Service Fund</b>	<b>Total Nonmajor Governmental Funds</b>
	<b>School Lunch Fund</b>	<b>Miscellaneous Special Revenue Fund</b>		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ 2,243	\$ 48,186	\$ 50,429
Miscellaneous	193,051	31,492	-	224,543
State sources	9,131	-	-	9,131
Federal sources	318,048	-	-	318,048
Sales	110,264	-	-	110,264
<b>TOTAL REVENUES</b>	<b>\$ 630,494</b>	<b>\$ 33,735</b>	<b>\$ 48,186</b>	<b>\$ 712,415</b>
<b>EXPENDITURES</b>				
General support	\$ -	\$ -	\$ 204,195	\$ 204,195
Employee benefits	118,978	-	-	118,978
Debt service - principal	-	-	1,127,173	1,127,173
Cost of sales	194,311	-	-	194,311
Other expenses	299,152	32,732	-	331,884
<b>TOTAL EXPENDITURES</b>	<b>\$ 612,441</b>	<b>\$ 32,732</b>	<b>\$ 1,331,368</b>	<b>\$ 1,976,541</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 18,053</b>	<b>\$ 1,003</b>	<b>\$ (1,283,182)</b>	<b>\$ (1,264,126)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Premium on obligations issued	\$ -	\$ -	\$ 1,331,368	\$ 1,331,368
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,331,368</b>	<b>\$ 1,331,368</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 18,053</b>	<b>\$ 1,003</b>	<b>\$ 48,186</b>	<b>\$ 67,242</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>290,418</b>	<b>76,565</b>	<b>390,863</b>	<b>757,846</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 308,471</b>	<b>\$ 77,568</b>	<b>\$ 439,049</b>	<b>\$ 825,088</b>

(See Independent Auditors' Report)



**Supplementary Information**  
**MARION CENTRAL SCHOOL DISTRICT, NEW YORK**  
**Net Investment in Capital Assets/ right to Use Assets**  
**For The Year Ended June 30, 2023**

<b>Capital assets/right to use assets, net</b>		<b>\$ 29,870,701</b>
<b>Add:</b>		
Unspent bond proceeds	\$ 2,404,892	
Unamortized bond discount	<u>30,494</u>	
		2,435,386
<b>Deduct:</b>		
Bond payable	\$ 14,140,000	
Retainage payable	288,667	
Unamortized bond premium	<u>1,404,315</u>	
		<u>15,832,982</u>
<b>Net Investment in Capital Assets/Right to Use Assets</b>		<b><u><u>\$ 16,473,105</u></u></b>

**Supplementary Information**  
**MARION CENTRAL SCHOOL DISTRICT, NEW YORK**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For The Year Ended June 30, 2023**

<b><u>Grantor / Pass - Through Agency</u></b> <b><u>Federal Award Cluster / Program</u></b>	<b><u>Assistance Listing Number</u></b>	<b><u>Pass-Through Agency Number</u></b>	<b><u>Total Expenditures</u></b>
<b><u>U.S. Department of Education:</u></b>			
Title VIB Rural Education Achievement Program	84.358A	N/A	\$ 11,550
<b><u>Passed Through NYS Education Department -</u></b>			
<b><u>Special Education Cluster IDEA -</u></b>			
Special Education - Grants to States (IDEA, Part B)	84.027	0032-23-1034	\$ 218,261
Special Education - Grants to States (IDEA, Part B)	84.027	0032-22-1034	2,217
Special Education - Preschool Grants (IDEA Preschool)	84.173	0033-23-1034	15,615
ARP Special Education - Grants to States (IDEA, Part B)-COVID-19	84.027X	5532-22-1034	34,373
ARP Special Education - Preschool Grants (IDEA Preschool)-COVID-19	84.173X	5533-22-1034	3,115
<b><i>Total Special Education Cluster IDEA</i></b>			<b>\$ 273,581</b>
<b><u>Education Stabilization Fund -</u></b>			
CRRSA - ESSER 2 - COVID-19	84.425D	5891-21-3560	\$ 255,831
ARP - ESSER 3 - COVID-19	84.425U	5880-21-3560	299,714
ARP - SLR Summer Enrichment - COVID-19	84.425U	5882-21-3560	19,577
ARP - SLR Comprehensive After School - COVID-19	84.425U	5883-21-3560	67,616
ARP - SLR Learning Loss - COVID-19	84.425U	5884-21-3560	219,303
<b><i>Total Education Stabilization fund</i></b>			<b>\$ 862,041</b>
Title IIA - Supporting Effective Instruction State Grant	84.367	0147-22-3560	\$ 16,692
Title IIA - Supporting Effective Instruction State Grant	84.367	0147-23-3560	9,828
Title IV - Student Support and Enrichment Program	84.424	0204-22-3560	688
Title IV - Student Support and Enrichment Program	84.424	0204-23-3560	1,474
Title I - Grants to Local Educational Agencies	84.010	0021-22-3560	15,977
Title I - Grants to Local Educational Agencies	84.010	0021-23-3560	132,643
<b><u>Passed Through Sodus Central School District -</u></b>			
Full-Service Community Schools Program	84.215J	N/A	4,690
<b>Total U.S. Department of Education</b>			<b>\$ 1,329,164</b>
<b><u>Federal Communications Commission:</u></b>			
<b><u>Passed through Wayne Finger Lakes BOCES -</u></b>			
Emergency Connectivity Funds - COVID-19	32.009	ECF202106912	\$ 11,880
<b>Total Federal Communications Commission</b>			<b>\$ 11,880</b>
<b><u>U.S. Department of Agriculture:</u></b>			
<b><u>Passed Through NYS Education Department (Child Nutrition Services) -</u></b>			
<b><u>Child Nutrition Cluster -</u></b>			
National School Lunch Program	10.555	650701040000	\$ 194,339
National School Lunch Program-Non-Cash Assistance (Commodities)	10.555	650701040000	39,418
Supply Chain Assistance - COVID-19	10.555	650701040000	32,524
National School Snack Program	10.555	650701040000	1,098
National School Breakfast Program	10.553	650701040000	48,785
<b><i>Total Child Nutrition Cluster</i></b>			<b>\$ 316,164</b>
Pandemic EBT Administrative Costs	10.649	650701040000	1,884
<b>Total U.S. Department of Agriculture</b>			<b>\$ 318,048</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 1,659,092</b>

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

**Independent Auditors' Report**

To the Board of Education  
Marion 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 the Marion Central School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 11, 2023.

***Internal Control over Financial Reporting***

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

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

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

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Marion 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 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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rochester, New York  
October 11, 2023

***MARION CENTRAL SCHOOL DISTRICT***

***NEW YORK***

***COMMUNICATING INTERNAL CONTROL  
RELATED MATTERS IDENTIFIED IN AN AUDIT***

***For Year Ended June 30, 2023***

October 11, 2023

To the Board of Education  
Marion Central School District, New York

In planning and performing our audit of the financial statements of Marion Central School District as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered Marion Central School District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Marion Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Marion Central School District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as discussed below, we identified certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated October 11, 2023 on the financial statements of the District. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. Our comments are summarized as follows:

**Current Year Deficiencies in Internal Control:**

**School Lunch Fund –**

During the course of our examination, we noted that the fund balance in the School Lunch Fund at June 30, 2023 totaled \$308,696. This balance appears to be in excess of the three months average expenditures level recommended by Federal Regulation #7CFR Part 210.14 in the amount of \$124,739.

We recommend the District develop the corrective action necessary for compliance with the Federal Regulation.

**(Current Year Deficiencies in Internal Control) (Continued)**

**Receipts –**

Our examination of selected receipts revealed five instances where deposits were not made in a timely manner from when monies were received.

In an effort to safeguard receipts and maintain accountability and control, we recommend every effort continue to be made to deposit receipts in a timely manner.

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We believe that the implementation of these recommendations will provide Marion Central School District with a stronger system of internal control while also making its operations more efficient. We will be happy to discuss the details of these recommendations with you at your convenience.

This communication is intended solely for the information and use of management, the Board, audit committee, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

We wish to express our appreciation to the business office staff for all the courtesies extended to us during the course of our examination.

Rochester, New York  
October 11, 2023

# Budget FAQ

## 1. What is the Budget process?

The budget process begins with the Board of Education approval of the Budget Development Calendar in November of each year. In December and January, each Building Principal works with their staff to determine the needs for supplies, equipment, textbooks, and Conferences. Each Department Director determines their needs for supplies, equipment, and Conferences. The Administrative team works with the Board of Education to ensure that the budget meets the needs of the district and is in alignment with the District's Mission and Vision while being fiscally responsible. There is a budget committee that meets 4 or 5 times beginning in January and ending in early April. The Board approves the budget in mid to late April and the voters vote the third Tuesday in May.

## 2. Does the school determine my tax bill?

No, the school district only establishes the tax levy based off of a formula and the 2% tax cap. A school district can only raise the tax levy the lesser of 2% or the Consumer Price Index. Anything greater requires a 60% or greater voter approval. The town assessor determines your property assessment which determines your school tax bill.

## 3. How have school taxes compared to years in the past?

The true value tax rate has decreased dramatically since 2016. In 2016, the true value tax rate was \$23.96 per \$1,000 of full assessed value. This year it is \$17.53 per \$1,000 of full assessed value. The property values have increased dramatically in recent years as a result of COVID and the tax levy is limited to the 2% tax cap. As a result, the tax rates have decreased significantly.

## 4. Where does all the revenue come from to support the budget?

State aid covers 60% or more of the revenue for the budget. Property taxes cover about one third of the revenue. The rest comes from interest earnings, Wayne County Sales tax, and miscellaneous sources.

## 5. What does the money get spent on?

When you factor out principal and interest payments for capital projects, 71.7% of the expenditures goes to wages and benefits. Principal and interest payments are offset by



New York State Building aid. About 9.1% goes to Conferences and contracts for services which include utilities, maintenance for facilities, insurance, attorneys, architects, fiscal advisors, garbage collection, snow removal, etc. Another 15.5% goes to BOCES to pay for Special Education, vocational education, Public relations, Computer services, legal services, worker's compensation, etc. The remainder of the budget goes to supplies and equipment.

6. Who and how do I contact if I have more questions regarding the budget?

Please contact the School Business Administrator, Richard Walker, phone number 315-926-2402 or email [rwalker@marioncs.org](mailto:rwalker@marioncs.org)

MARION CENTRAL SCHOOL  
4034 Warner Road, Marion, NY 14505  
Regular Board of Education Meeting  
**October 2, 2023 – 6:00 PM**  
Marion Jr.-Sr. High School Library  
The Inn at Saratoga, 231 Broadway, Saratoga Springs, NY 12866

- BOARD MEMBERS PRESENT:** M. Kuelling R. Marshall, J. Monroe, and J. Reesor
- BOARD MEMBERS ABSENT:** A. Taber
- ADMINISTRATORS PRESENT:** S. Dehn, K. Kellerhouse (Intern), M. Levi, E. Lloyd (via Zoom), C. Steiner, R. Walker and D. Wise
- GUESTS:** Guest Register
- A1. CALL TO ORDER** Mr. Marshall called the meeting to order at 6:01 P.M. and led the Pledge of Allegiance.
- A4. APPROVAL OF AGENDA** Motion by Mr. Reesor, seconded by Mrs. Kuelling and unanimously carried by Board members present the following resolution: BE IT RESOLVED, that the Board of Education, upon the recommendation of the Superintendent of Schools and pursuant to Education Law, approves the agenda of October 2, 2023 with the following updates to Consent Agenda #8 enclosure was amended in packet, #10 effective date changed to Oct. 5, 2023, new #13 Approve creation of a 1:1 Teacher Aide position at Marion Elementary School needed to fulfill special education IEP requirements and #14 Accept the resignation of Brenda Doell as a 1:1 Teacher Aide at Marion Jr-Sr High School, effective September 26, 2023. (FY 23/24 October #1) 4-0-0
- B. COMM AGENDA COMMENTS** An opportunity for community comments on agenda items was given. No comments were made.
- C1. PRESENTATION** Mrs. Steiner and Mr. Dehn presented the 2023-24 Elementary and Jr-Sr High School Building Plans. Mrs. Steiner reviewed the goals for the Elementary building, focusing on the new areas of focus and the action steps for each goal. Mr. Dehn also reviewed the goals for the Jr-Sr High highlighting last year's achievements and what the focus is for each goal this coming year.

## **D1. BOARD REPORT**

Mr. Marshall reported that the Board took time during their retreat for training on BoardDocs and during the retreat they reviewed the NYSSBA Resolutions and their board goals, including how they will move forward with a survey. Mr. Marshall then spoke about a student representative on the Board; reminding everyone that we had a new policy regarding this and that the community had voted in favor of allowing the Board to do this. The Board discussed this topic and then asked Mr. Dehn to see if he could find a student, based on the criteria in the Policy, to be a representative on the Board. Lastly, he asked if there were any questions or concerns about the policy review schedule to which there were not.

## **D2. SUPERINTENDENT REPORT**

Dr. Lloyd joined the group remotely from the NYSCOSS Leadership Summit and talked about how she was able to take something away from each session so far. She then reported that Lynne Rutnik was the new W-FLBOCES District Superintendent and talked a little about her qualifications. Dr. Lloyd touched on the upcoming Oct. 6<sup>th</sup> Superintendent Conference Day and that the agenda was linked to each of the building plans and goals. She next spoke about homeschool students participating in extra-curricular clubs. She reported that the administrative team had discussed the possibility of this happening and it was decided that it was not feasible at the Jr-Sr High to manage this due to some clubs meeting during the school day and there would be a need to add staff to manage it; however they felt that the mini-camps at MES would be more manageable to track attendance, etc. They will slowly phase into this during second semester once they have established participation requirements, developed a process and defined clear expectations; they will bring this back to the board when they are closer to initiating it. Lastly, she discussed Youth Development and Youth Sports Grants that are available and a collaboration with the Town of Marion to help write the grants which are due October 18<sup>th</sup>.

## **APPROVE RESOLUTION**

Motion by Mr. Monroe, seconded by Mrs. Kuelling, and unanimously carried by Board members present the following resolution: BE IT RESOLVED, that the Board of Education, upon the recommendation of the Superintendent of Schools and pursuant to Education Law, approves the Resolution Authorizing Partial Settlement of Vaping Litigation as presented. (FY 23/24 October #1) 4-0-0

**APPRVE APPR EVALUATORS**

Motion by Mrs. Kuelling, seconded by Mr. Reesor, and unanimously carried the following resolution: Be it resolved that the Board of Education, upon the recommendation of the Superintendent of Schools and pursuant to Education Law, approves the APPR Evaluators for the 2023-2024 School Year. (FY 23/24 October #1) 4-0-0

**APPRVE BLDG SAFETY PLANS**

Motion by Mr. Monroe, seconded by Mr. Reesor, and unanimously carried by the Board members present the following resolution: BE IT RESOLVED, that the Board of Education, upon recommendation of the Superintendent of Schools and pursuant to Education Law, approves the building safety plans as presented. (FY 23/24 October #1) 4-0-0

**D3. FINANCE REPORT**

Mr. Walker updated the Board on the current Capital Project work taking place at each of the buildings. He then reviewed the reserve fund report, the annual external audit mentioning that there were no findings, but that the internal auditor should speak to the board annually and the financial report pointing out that the current fund balance is half of what it was last year.

**APPRVE FINANCIAL REPORTS**

Motion by Mr. Reesor, seconded by Mr. Monroe, and unanimously carried by Board members present the following resolution: BE IT RESOLVED, that the Board of Education, upon the recommendation of the Superintendent of Schools and pursuant to Education Law, approves the Financial Reports as presented. (FY 23/24 October #1) 4-0-0

**D4. ADMINISTRATORS REPORTS**

Mrs. Levi reported that 504/IEP were moved to Frontline and are now connected to SchoolTool so teachers can make sure they are following the students' accommodations. She then mentioned that to date, 125 BKC's have been submitted at the Jr-Sr High and 1209 Knight Notes at the Elementary. She then talked about the difference between the two acknowledgements and read two BKC's that were submitted by people outside the school.

Mrs. Steiner reported that they celebrated Spirit Week and homecoming; the highlight was the pep rally and the blindfolded pie eating contest. She then spoke about the Knight Notes celebration and staff doing a line dance for the students. Mrs. Steiner then reported on the upcoming PTO events.

Mr. Dehn reported that homecoming was successful and the staff participation this year was great; most of the teams won their competitions and there was a Homecoming Dance on Saturday night that was well attended. He then mentioned that the Girls Tennis Team had their senior night and that for the conference day they will be doing a Pot Luck Harvest lunch this year.

Mr. Wise reported that PSAT/SAT testing was moving to all online and his team was able to get the software needed to do this installed on the Chromebooks.

**E. CONSENT AGENDA ITEMS**

Motion by Mr. Reesor, seconded by Mrs. Kuelling, and unanimously carried by Board members present: 4-0-0

**E1. MEETING MINUTES**

RESOLVED, that the Board of Education, upon recommendation of the Superintendent of Schools and pursuant to Education Law, approves the Meeting Minutes of the September 25, 2023 meeting/retreat. (FY 23/24 October #1)

**E2. CSE/CPSE PLACEMENTS**

RESOLVED, that the Board of Education, upon recommendation of the Superintendent of Schools and pursuant to Education Law, approves the placement of students into special education programs. (FY 23/24 October #1)

**E3. APPROVE WARRANTS**

RESOLVED, that the Board of Education, upon recommendation of the Superintendent of Schools and pursuant to Education Law, approves the warrants report as presented. (FY 23/24 October #1)

**E4. FEDERAL GRANT STIPENDS**

RESOLVED, that the Board of Education, upon recommendation of the Superintendent of Schools and pursuant to Education Law, authorizes the payment of federal grant stipends for the school year as listed. (FY 23/24 October #1)

**E5. APPROVE TITLE CHANGE**

RESOLVED, that the Board of Education, upon recommendation of the Superintendent of Schools and pursuant to Education Law, approves the change in title of Director of Finance and Operations to School Business Official. (FY 23/24 October #1)

**E6. APPOINTMENT CHANGE**

RESOLVED, that the Board of Education, upon recommendation of the Superintendent of Schools and pursuant to Education Law, approves the appointment change of **Hannah Tones** from a 4 hour/day to a 5 hour/day Food Service Helper at Marion Jr-Sr High School, effective October 2, 2023. (FY 23/24 October #1)

- E7. ABOLISH 3 HR FOOD SVC** RESOLVED, that the Board of Education, upon recommendation of the Superintendent of Schools and pursuant to Education Law, approves the abolishment of the 3 hour/day Food Service Helper position at Marion Jr-Sr High School. (FY 23/24 October #1)
- E8. OVERNIGHT FIELD TRIP** RESOLVED, that the Board of Education, upon recommendation of the Superintendent of Schools and pursuant to Education Law, approves the overnight field trip as presented. (FY 23/24 October #1)
- E9. CAFETERIA EQUIP SURPLUS** RESOLVED, that the Board of Education, upon recommendation of the Superintendent of Schools and pursuant to Education Law, approves the declaration of cafeteria kitchen equipment listed as surplus. (FY 23/24 October #1)
- E10. APPROVE 1:1 AIDE** RESOLVED, that the Board of Education, upon recommendation of the Superintendent of Schools and pursuant to Education Law, approves the appointment of **Maxine Murray** as a 1:1 Teacher Aide at Marion Elementary School, effective October 4, 2023, rate: \$14.45/hr. (FY 23/24 October #1)
- E11. APPRV SUBSTITUTE GROUNDS** RESOLVED, that the Board of Education, upon recommendation of the Superintendent of Schools and pursuant to Education Law, approves the appointment of **Sam Aiken** as a Substitute Groundskeeper for Marion Central School District, rate: \$16.70/hr. (FY 23/24 October #1)
- E12. FALL ATHLETIC SUPPORT** RESOLVED, that the Board of Education, upon recommendation of the Superintendent of Schools and pursuant to Education Law, approves the appointment of Mark DeYoung as a Volleyball timer/score clock for the Fall 2023/24 season. (FY 23/24 October #1)
- E13. CREATE 1:1 TEACHER AIDE** RESOLVED, that the Board of Education, upon recommendation of the Superintendent of Schools and pursuant to Education Law, approves the creation of a 1:1 Teacher Aide position at Marion Elementary School to accommodate a student's IEP requirements. (FY 23/24 October #1)
- E14. ACCEPT RESIGNATION** RESOLVED, that the Board of Education, upon recommendation of the Superintendent of Schools and pursuant to Education Law, accepts the resignation of **Brenda Doell** as a 1:1 Teacher Aide at Marion Jr-Sr High School, effective September 26, 2023. (FY 23/24 October #1)

**F. COMMUNITY COMMENTS**

An opportunity for community questions and comments was given. A community member commented on homeschool.

**G. ADJOURNMENT**

Motion by Mr. Reesor, seconded by Mr. Monroe, and unanimously carried by Board members present the following resolution: BE IT RESOLVED, that the Board of Education approves the adjournment of its October 2, 2023, meeting at 7:13 PM.

Respectfully Submitted,

Nadine A. Mitchell  
School District Clerk

**MARION CENTRAL SCHOOL  
ATHLETIC DEPARTMENT**

**TO: ELLEN LLOYD AND BOARD OF EDUCATION**

**FROM: LORI DELYSER**

**DATE: 10/12/23**

**RE: WINTER COACHING RECOMMENDATION**

Coaching recommendations for the 2023-2024 Winter Sports Season:

Boys Varsity Basketball-	Richie Chute Grp I ISA \$5,700
Boys Modified Basketball-	Jared DeLyser Grp V ISA \$2,970 + \$700 Longevity
Varsity Indoor Track-	Paul Pfeiffer Grp I ISA \$7,700 + \$700 Longevity
Varsity Indoor Track Assist.-	Chelsea Nuss Grp III ISA \$3,900
Varsity Indoor Track Assist.-	Theresa Hollebrandt Grp III ISA \$3,900
Girls Varsity Basketball-	Lori DeLyser Grp I ISA \$7,700 + \$700 Longevity
Girls Modified Basketball-	Jared DeLyser Grp V ISA \$2,970 + \$700 Longevity

Supervising recommendations for the 2023-2024 Winter Sports Season:

Boys Basketball Score Clock-	Paul Byron	\$85 per event
Girls Basketball Score Clock-	Paul Byron	\$85 per event
Boys Basketball Shot Clock-	Lisa Levan	\$85 per event
Girls Basketball Shot Clock-	Lisa Levan	\$85 per event
Boys Basketball Supervisor-	Lori DeLyser	\$85 per event

Lori DeLyser  
Athletic Director



From: **Ally kat** <[alexwemesfelder@gmail.com](mailto:alexwemesfelder@gmail.com)>

Date: Mon, Oct 2, 2023 at 6:01 PM

Subject:

To: <[jlong@marioncs.org](mailto:jlong@marioncs.org)>

I Alex wemesfelder with a deep sorrow will be resigning from my position as a night cleaner due to personal matters. Starting 10/02/2023. It was a honor working with you and the school. I will deeply miss everyone and I'm sorry for such short notice