

# D'Arcangelo & Co., LLP

Certified Public Accountants & Consultants

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

## Extraclassroom Activity Fund Required Communication of Areas in Need of Improvement

Board of Education  
Unatego Central School District

In planning and performing our audit of the financial statements of the Extraclassroom Activity Funds of Unatego 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 the Extraclassroom Activity Funds of Unatego Central School District's (the Funds) internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control. Accordingly, we do not express an opinion on the effectiveness of the Funds' 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 material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed in the attached schedule, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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.

The material weakness and significant deficiencies are identified and described in the attached schedule of findings and recommendations.

This communication is intended solely for the information and use of management, the Board of Education, the New York State Education Department, and the New York State Comptroller's Office, and is not intended to be and should not be used by anyone other than these specified parties.

*D'Arcangelo + Co., LLP*

October 16, 2023

Rome, New York

UNATEGO CENTRAL  
SCHOOL DISTRICT

EXTRACLASSROOM  
ACTIVITY FUND

FINANCIAL STATEMENTS

For the Year Ended  
June 30, 2023

**UNATEGO CENTRAL SCHOOL DISTRICT  
TABLE OF CONTENTS**

---

	<u>Page</u>
<b>EXTRACLASSROOM ACTIVITY FUND</b>	
Independent Auditor's Report	1-2
Statement of Assets, Liabilities, and Fund Equity – Cash Basis	3
Statement of Revenues, Expenditures, and Changes in Fund Equity – Cash Basis	4
Notes to Financial Statements	5
Supplemental Schedule of Cash Receipts and Disbursements – Cash Basis	6

# D'Arcangelo & Co., LLP

Certified Public Accountants & Consultants

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

## Independent Auditor's Report

Board of Education  
Unatego Central School District

### Report on Financial Statements

#### **Qualified Opinion**

We have audited the accompanying financial statements of the Extraclassroom Activity Fund of Unatego Central School District, which comprise the statement of assets, liabilities, and fund equity cash basis as of June 30, 2023, and the related statement of revenues, expenditures, and changes in fund equity cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund equity of the Extraclassroom Activity Fund of Unatego Central School District as of June 30, 2023, and its revenues, expenditures, and changes in fund equity for the year then ended in accordance with the cash basis of accounting as described in Note 1.

#### **Basis for Qualified Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Extraclassroom Activity Fund of Unatego 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 qualified audit opinion. Insufficient accounting controls are exercised over cash receipts at the point of collection to the time of submission to the central treasurer. Accordingly, it was impracticable to extend our audit of such receipts beyond the amounts recorded.

#### **Emphasis of Matter – Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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 Extraclassroom Activity Fund of Unatego Central School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
  
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
  
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Extraclassroom Activity Fund of Unatego Central School District's internal control. Accordingly, no such opinion is expressed.
  
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
  
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Extraclassroom Activity Fund of Unatego Central School District's ability to continue as a going concern for a reasonable period of time.

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

### Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule on page 6 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the effects of any adjustments that might have been determined to be necessary had we been able to perform adequate auditing procedures in regard to the receipts referred to in the opinion paragraphs, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*D'Arcangelo + Co., LLP*

October 16, 2023

Rome, New York

**UNATEGO CENTRAL SCHOOL DISTRICT**  
**EXTRACLASROOM ACTIVITY FUND**  
**STATEMENT OF ASSETS, LIABILITIES, AND FUND EQUITY - CASH BASIS**  
**June 30, 2023**

---

<u>Assets</u>	
Cash	\$ 96,656
<u>Total Assets</u>	<u>\$ 96,656</u>
<u>Fund Equity</u>	
Assigned	\$ 96,656
<u>Total Fund Equity</u>	<u>\$ 96,656</u>

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

**UNATEGO CENTRAL SCHOOL DISTRICT  
EXTRACLASSROOM ACTIVITY FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND EQUITY - CASH BASIS  
For the Year Ended June 30, 2023**

---

Revenues	
Charges for Services, Sale of Property, and Miscellaneous	\$ <u>101,890</u>
Expenditures	
Instruction - Club Activities	<u>96,548</u>
Surplus Revenues Over Expenditures	5,342
<u>Fund Equity</u> , Beginning of Year	<u>91,314</u>
<u>Fund Equity</u> , End of Year	<u>\$ 96,656</u>

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

**UNATEGO CENTRAL SCHOOL DISTRICT  
EXTRACLASSROOM ACTIVITY FUND  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2023**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Operations***

The transactions of the Extraclassroom Activity Fund are considered part of the reporting entity of the Unatego Central School District. The related year-end cash balances are shown as part of the Custodial Fund with the respective offset being shown as restricted net position.

The Board of Education makes rules and regulations for the conduct, operation, and maintenance of the Extraclassroom Activity Fund and for the safeguarding, accounting, and auditing of all monies received and derived therefrom.

***Basis of Accounting***

The books and records of the School District's Extraclassroom Activity Fund are maintained on the cash basis of accounting. The cash basis of accounting is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis of accounting, revenues are recognized when cash is received, and expenditures are recognized when cash is disbursed.

***Fund Equity Assigned***

Fund equity includes amounts that are constrained by the Extraclassroom Activity Funds of Unatego Central School District's intent to be used for specific purposes of the respective activity, but are neither restricted nor committed.

***Cash and Cash Equivalents***

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

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

**2. CUSTODIAL CREDIT RISK**

Custodial credit risk is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. As of June 30, 2023, the School District's Extraclassroom bank balances of \$96,656 were covered by FDIC.



**UNATEGO CENTRAL SCHOOL DISTRICT  
EXTRACLASSROOM ACTIVITY FUND  
SUPPLEMENTAL SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - CASH BASIS  
For the Year Ended June 30, 2023**

Activities	Cash and Fund Equity 7/1/2022	Cash Receipts	Disbursements	Cash and Fund Equity 6/30/2023
Chargeback/Bank Fees	\$ (18)	\$	\$	(18)
Class of 2023	3,838	22,841	26,679	
Class of 2024	1,265	4,304		5,569
Class of 2025	1,358	4,886	2,447	3,797
Class of 2026		1,476	720	756
Drama Club	11,383	7,446	8,073	10,756
FBLA	14,031	20,404	20,624	13,811
GSA		15	1	14
HS No Place for Hate		20		20
Interest Earned		10	10	
MS Drama Club	9,591	822	420	9,993
MS No Place for Hate		13	1	12
MS Student Council	611	692	341	962
MS Yearbook	1,400	859	885	1,374
Jr. National Honor Society	4,954	75	200	4,829
National Senior Honor Society	1,254	75	70	1,259
SADD	12,062	4,500	2,642	13,920
Sales Tax	139	443	309	273
Ski & Snowboard Club	1,078	3,975	3,448	1,605
Spanish Club		954	655	299
Band	13,464	24,278	24,001	13,741
Student Council	2,917	1,337	1,108	3,146
Student Council PF	5,589	24	171	5,442
Unategan	6,398	2,441	3,743	5,096
Total	<u>\$ 91,314</u>	<u>\$ 101,890</u>	<u>\$ 96,548</u>	<u>\$ 96,656</u>

**UNATEGO CENTRAL SCHOOL DISTRICT**  
**EXTRACLASROOM ACTIVITY FUND**  
**SCHEDULE OF AUDIT FINDINGS AND RECOMMENDATIONS**

**Current Year Extraclassroom Findings**

---

**I. Material Weaknesses**

See status of prior year comments.

**II. Significant Deficiencies**

None in Current Year

**UNATEGO CENTRAL SCHOOL DISTRICT**  
**EXTRACLASSROOM ACTIVITY FUND**  
**PRIOR YEAR AUDIT FINDINGS AND RECOMMENDATIONS**

**Prior Year Extraclassroom Findings**

---

**I. Material Weaknesses**

**Cash Receipts**

Insufficient accounting controls exist over cash collections prior to the initial entry in the accounting records by the Central Treasurer. Internal accounting control and control over un-deposited cash collections could be strengthened if receipts for cash collections were issued upon the point of sale and a pre-audit of receipts was available for each major event.

**Status:** Noted again during the current year audit.

UNATEGO CENTRAL  
SCHOOL DISTRICT

MANAGEMENT'S  
DISCUSSION AND  
ANALYSIS

AND

BASIC FINANCIAL  
STATEMENTS

For the Year Ended  
June 30, 2023

**UNATEGO CENTRAL SCHOOL DISTRICT  
TABLE OF CONTENTS**

---

	<u>Page</u>
<b>INDEPENDENT AUDITOR’S REPORT</b>	1-3
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS</b>	4-13
<b>BASIC FINANCIAL STATEMENTS</b>	
District-Wide Financial Statements	
• Statement of Net Position	14
• Statement of Activities	15
Fund Financial Statements	
• Balance Sheet – Governmental Funds	16
• Reconciliation of the Governmental Fund Balances to the District – Wide Net Position	17
• Statement of Revenues, Expenditures, and Changes in Fund Balances – All Governmental Funds	18
• Reconciliation of the Statement of Revenues and Expenditures of the Governmental Funds to the Statement of Activities	19
Fiduciary Fund Financial Statements	
• Statement of Fiduciary Net Position	20
• Statement of Changes in Fiduciary Net Position	21
Notes to Basic Financial Statements	22-47
<b>REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT’S DISCUSSION AND ANALYSIS</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – General Fund	48
Schedules of Changes in the District’s Total OPEB Liability and Related Ratios	49
Schedules of District Pension Contributions	50
Schedules of the District’s Proportionate Share of the Net Pension Liability/Asset	51
<b>OTHER SUPPLEMENTARY INFORMATION</b>	
Schedules of Change from Original Budget to Revised Budget and Real Property Tax Limit – General Fund	52
Schedule of Project Expenditures – Capital Projects Fund	53
Net Investment in Capital Assets	54
<b>SINGLE AUDIT REPORTS AND SCHEDULES</b>	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	55
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by The Uniform Guidance	56-57
Schedule of Expenditures of Federal Awards	58
Notes to Schedule of Expenditures of Federal Awards	59
Schedule of Findings and Questioned Costs – Federal Compliance Requirements	60
Status of Prior Year’s Findings and Questioned Costs – Federal Compliance Requirements	61

# D'Arcangelo & Co., LLP

Certified Public Accountants & Consultants

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

## Independent Auditor's Report

Board of Education  
Unatego Central School District

### Report on the Audit of Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Unatego 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 Unatego Central School District's basic financial statements as listed in the table of contents.

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

#### Basis for Opinions

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

#### Responsibilities of Management for the Financial Statements

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Unatego Central School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Unatego Central School District's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

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

### **Supplementary and Other Information**

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2023, on our consideration of the Unatego Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Unatego Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Unatego Central School District's internal control over financial reporting and compliance.

*D'Arcangelo + Co., LLP*

October 16, 2023

Rome, New York



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

---

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

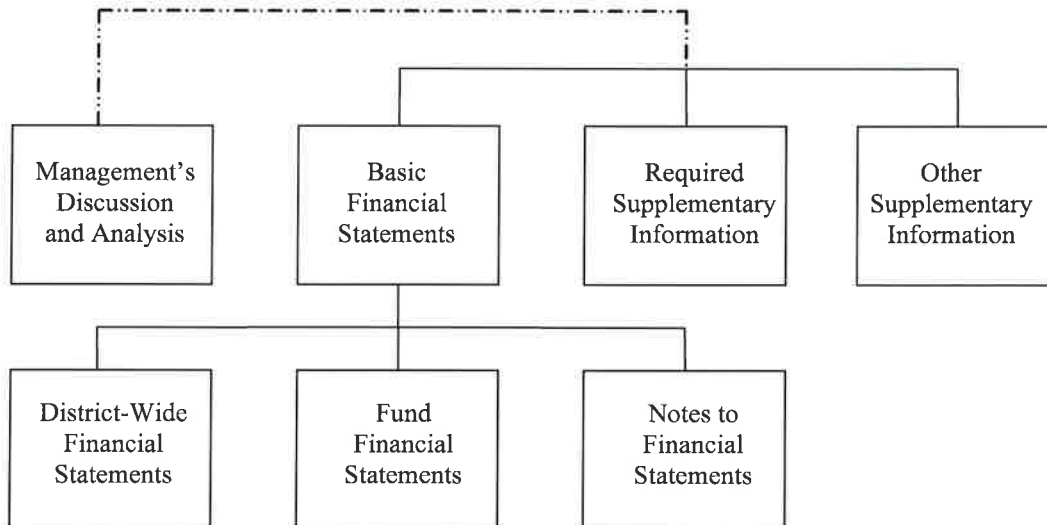
**1. FINANCIAL HIGHLIGHTS**

Key financial highlights for fiscal year ended June 30, 2023, are as follows:

- The District's total Net Position, as reflected in the District-wide financial statements, increased by \$3,075,306 to \$1,911,834.
- The District's expenses for the year, as reflected in the District-wide financial statements, totaled \$23,134,659. Of this amount, \$175,973 and \$2,863,623 was offset by program charges for services and operating grants to support instructional and food service programs, respectively. General revenues of \$23,170,369 amount to 88.4% of total revenues.
- The General Fund's total fund balance, as reflected in the fund financial statements on pages 16 and 18, increased by \$1,498,730 to \$8,692,868. This was due to the excess of revenues over expenditures based on the modified accrual basis of accounting.
- State and federal revenue increased by \$577,294 to \$15,341,223 in 2023 from \$14,763,929 in 2022.
- Operating Grants increased by \$633,493 due to additional grant funding related to the federal COVID-19 Education Stabilization Fund and School Lunch Nutrition Cluster.
- The General Fund's unassigned fund balance was 11.2% of the subsequent year's budget. The State legal limit is 4.0%.

**2. OVERVIEW OF THE FINANCIAL STATEMENTS**

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



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

---

**A. District-wide Financial Statements**

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

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

The Statement of Net Position

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

The Statement of Activities

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

**B. Fund Financial Statements**

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

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

Governmental Funds

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

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

The District maintains six individual Governmental Funds, General Fund, School Lunch Fund, Special Aid Fund, Miscellaneous Special Revenue Fund, Debt Service fund, and Capital Projects Fund, each of which is considered to be a major fund and is presented separately in the fund financial statements.

Fiduciary Funds

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

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

**3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**A. Net Position**

The Districts total Net Position increased by \$3,075,306 between fiscal year 2022 and 2023. A summary of the District's Statement of Net Position for June 30, 2023 and 2022 is as follows:

	2023	2022	Increase (Decrease)	Percentage Change
Current and Other Assets	\$ 10,842,727	\$ 10,042,650	\$ 800,077	8.0%
Net Pension Asset - Proportionate Share		6,882,022	(6,882,022)	(100.0%)
Right to Use Leased Assets, Net	1,191,373	1,665,960	(474,587)	(28.5%)
Capital Assets, Net	<u>23,951,503</u>	<u>24,677,994</u>	<u>(726,491)</u>	(2.9%)
Total Assets	<u>35,985,603</u>	<u>43,268,626</u>	<u>(7,283,023)</u>	(16.8%)
Deferred Outflows of Resources	<u>6,429,952</u>	<u>6,804,975</u>	<u>(375,023)</u>	(5.5%)
Current Liabilities	3,049,420	3,227,697	(178,277)	(5.5%)
Non-Current Liabilities	<u>25,239,508</u>	<u>25,185,325</u>	<u>54,183</u>	0.2%
Total Liabilities	<u>28,288,928</u>	<u>28,413,022</u>	<u>(124,094)</u>	(0.4%)
Deferred Inflows of Resources	<u>12,214,793</u>	<u>22,824,051</u>	<u>(10,609,258)</u>	(46.5%)
Net Investment in Capital Assets	20,360,737	19,235,016	1,125,721	5.9%
Restricted	5,274,293	4,068,886	1,205,407	29.6%
Unrestricted (Deficit)	<u>(23,723,196)</u>	<u>(24,467,374)</u>	<u>744,178</u>	3.0%
Total Net Position (Deficit)	<u>\$ 1,911,834</u>	<u>\$ (1,163,472)</u>	<u>\$ 3,075,306</u>	264.3%

Current and other assets increased by \$800,077, as compared to the prior year. This increase is primarily due to an increase in the District's restricted cash balances.

The Net Pension Asset - Proportionate Share decreased by \$6,882,022, as compared to the prior year due to changes in the District's proportionate share of the total pension asset/liability of the retirement systems..

Capital assets, net of accumulated depreciation, decreased by \$726,491, as compared to the prior year. This decrease is due to the expense for depreciation exceeding additions to fixed assets.

Deferred Outflows decreased by \$375,023 as compared to the prior year due to changes in assumptions used by the State's pension system actuaries.

Current liabilities decreased by \$178,277, as compared to the prior year. This decrease is primarily the result of a decrease in accounts payable in the current year.

Non-current liabilities increased by \$54,183 as compared to the prior year. This increase is due to the increase in net pension liability in the amount of \$2,266,502 reported by the retirement systems offset by principal paid on serial bonds in the amount of \$2,045,000.

Deferred Inflows decreased by \$10,609,258 over the prior year due to amounts relating to the Other Postemployment Benefit valuation.

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

The Net Investment in Capital Assets is calculated by subtracting the amount of outstanding debt used for construction from the total cost of all asset acquisitions, net of accumulated depreciation. The total cost of these acquisitions includes expenditures to purchase land, construct and improve buildings and purchase vehicles, equipment and furniture to support District operations.

The restricted Net Position at June 30, 2023 is \$5,274,293 which represents the amount of the District's reserves and other restricted funds in the Debt Service, Miscellaneous Special Revenue and General Funds.

The unrestricted Net Position at June 30, 2023, is a deficit of \$23,723,196, which represents the amount by which the District's liabilities and deferred inflows of resources, excluding debt related to capital construction, exceeded the District's assets other than capital assets and deferred outflows of resources, and excluding restricted amounts. This deficit is due to the recognition of the \$18,759,998 liability for other postemployment benefits.

**B. Changes in Net Position**

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

<b>Revenues</b>	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Program Revenues				
Charges for Services	\$ 175,973	\$ 86,770	\$ 89,203	102.8%
Operating Grants	2,863,623	2,230,130	633,493	28.4%
General Revenues				
Property Taxes and STAR	7,557,980	7,448,185	109,795	1.5%
State and Federal Sources	15,341,223	14,763,929	577,294	3.9%
Miscellaneous	<u>271,166</u>	<u>446,751</u>	<u>(175,585)</u>	<u>(39.3%)</u>
Total Revenues	<u>26,209,965</u>	<u>24,975,765</u>	<u>1,234,200</u>	<u>4.9%</u>
<b>Expenses</b>				
General Support	4,731,407	4,430,854	300,553	6.8%
Instruction	16,181,935	13,313,719	2,868,216	21.5%
Pupil Transportation	1,378,004	1,272,630	105,374	8.3%
Community Service	25,971	41,681	(15,710)	(37.7%)
Debt Service-Unallocated Interest	611,389	283,307	328,082	115.8%
Food Service Program	<u>205,953</u>	<u>511,024</u>	<u>(305,071)</u>	<u>(59.7%)</u>
Total Expenses	<u>23,134,659</u>	<u>19,853,215</u>	<u>3,281,444</u>	<u>16.5%</u>
Total Change in Net Position	<u>\$ 3,075,306</u>	<u>\$ 5,122,550</u>	<u>\$ (2,047,244)</u>	<u>(40.0%)</u>

The District's revenues increased by \$1,234,200 in 2023 or 4.9%. The major factor that contributed to the increase is as follows:

- The District received an increase in Operating Grants of \$633,493, primarily due to additional grant funding related to the federal COVID-19 Education Stabilization Fund.

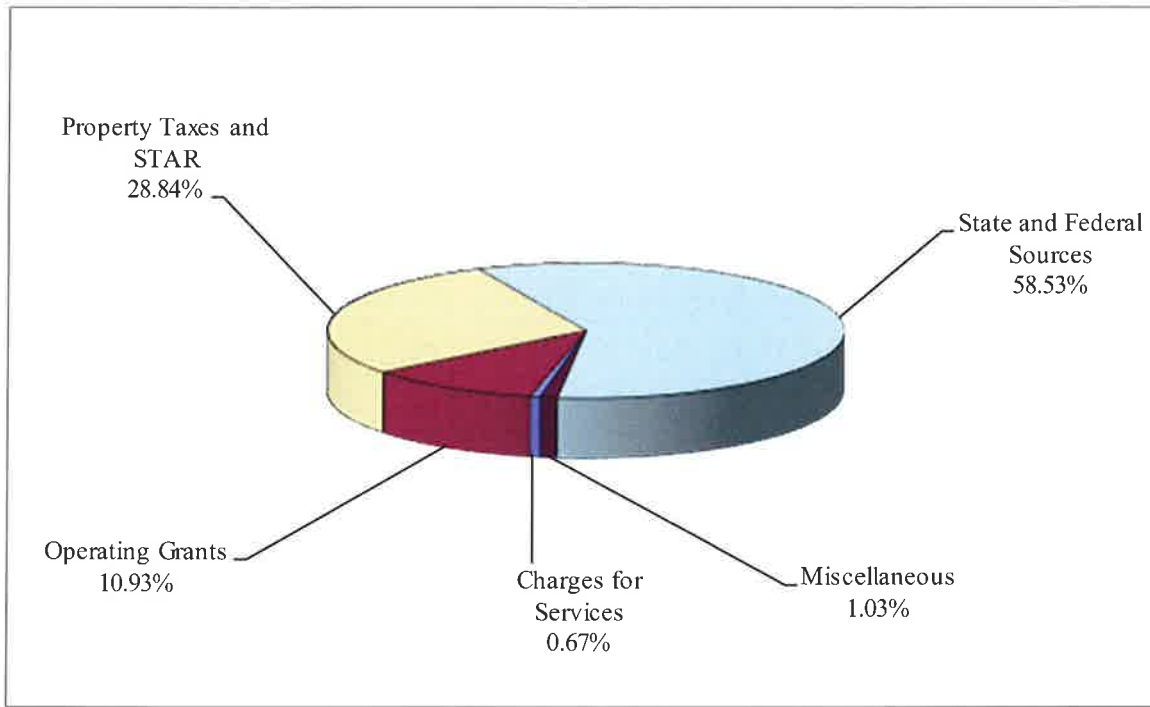
The District's expenses for the year increased by \$3,281,444 or 16.5%. These expenses increased primarily due to the allocation of employee benefit costs related to pension and other post-employment benefits.

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

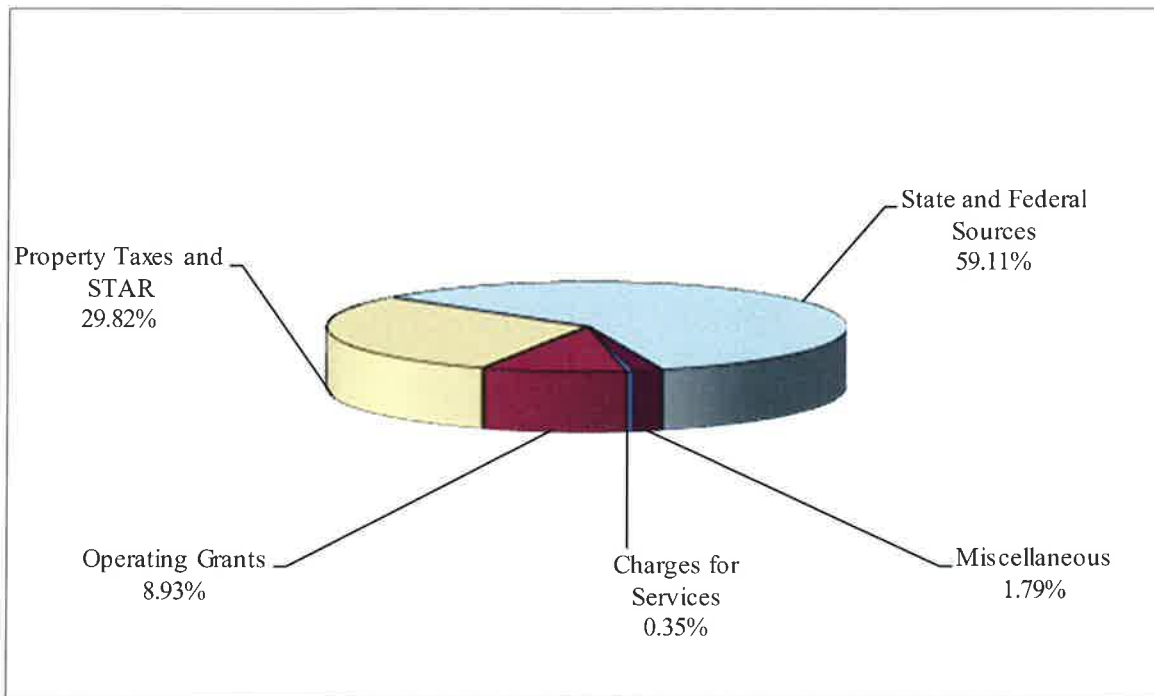
---

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

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



**For the Year Ended June 30, 2022**



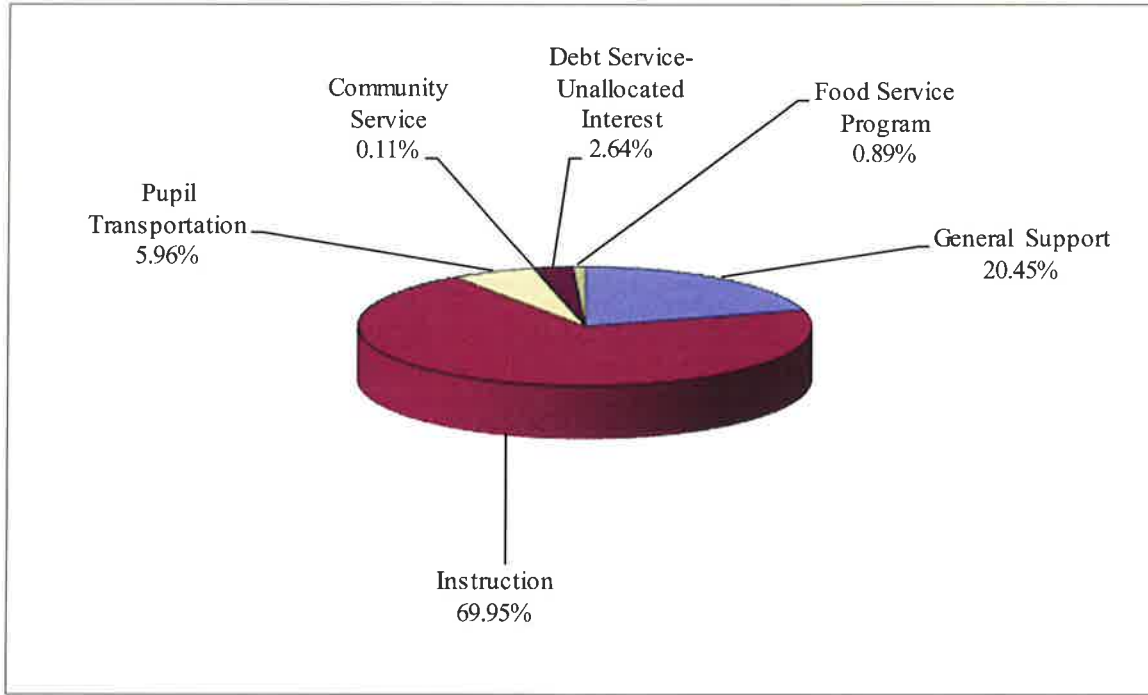
See Independent Auditor's Report

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

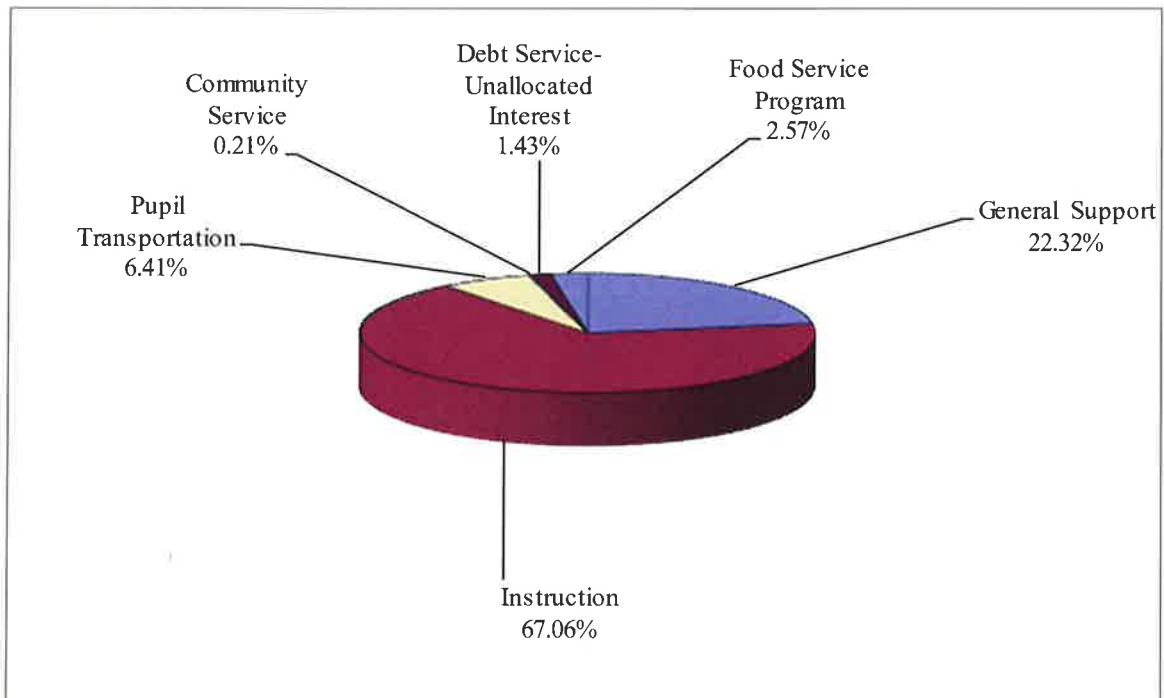
---

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

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



**For the Year Ended June 30, 2022**



See Independent Auditor's Report

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

**4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUND BALANCES**

At June 30, 2023, the District's governmental funds reported a combined fund balance of \$7,798,294 which is an increase of \$974,458 over the prior year. This increase is due to an excess of revenues over expenditures for the year. A summary of the change in fund balance by fund is as follows:

<b>General Fund</b>	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>
<b>Restricted</b>			
Workers' Compensation	\$ 207,267	\$ 207,267	\$
Unemployment Insurance	98,700	107,000	(8,300)
Retirement Contribution Reserve - ERS	658,638	660,470	(1,832)
Retirement Contribution Reserve - TRS	494,200	359,200	135,000
Liability	45,000	100,000	(55,000)
Employee Benefit Accrued Liability Reserve	343,235	312,967	30,268
Capital Reserve	2,800,000	1,800,000	1,000,000
Repairs Reserve	<u>499,299</u>	<u>399,299</u>	<u>100,000</u>
Total Restricted	<u>5,146,339</u>	<u>3,946,203</u>	<u>1,200,136</u>
<b>Assigned</b>			
Appropriated for Subsequent Year's Budget	825,000	525,000	300,000
General Support	3,640	112,906	(109,266)
Instruction	7,956	16,215	(8,259)
Pupil Transportation	<u>4,176</u>	<u>2,160</u>	<u>2,016</u>
Total Assigned	<u>840,772</u>	<u>656,281</u>	<u>184,491</u>
<b>Unassigned</b>			
Unassigned	<u>2,705,757</u>	<u>2,591,654</u>	<u>114,103</u>
<b>Total General Fund</b>	<u>8,692,868</u>	<u>7,194,138</u>	<u>1,498,730</u>
<b>School Lunch Fund</b>			
Nonspendable	21,839	21,099	740
Assigned	<u>170,934</u>	<u>195,645</u>	<u>(24,711)</u>
<b>Total School Lunch Fund</b>	<u>192,773</u>	<u>216,744</u>	<u>(23,971)</u>
<b>Miscellaneous Special Revenue Fund</b>			
Restricted	<u>93,029</u>	<u>95,094</u>	<u>(2,065)</u>
<b>Total Miscellaneous Special Revenue Fund</b>	<u>93,029</u>	<u>95,094</u>	<u>(2,065)</u>
<b>Debt Service Fund</b>			
Restricted	<u>34,925</u>	<u>27,589</u>	<u>7,336</u>
<b>Total Debt Service Fund</b>	<u>34,925</u>	<u>27,589</u>	<u>7,336</u>
<b>Capital Fund</b>			
Unassigned (Deficit)	<u>(1,215,301)</u>	<u>(709,729)</u>	<u>(505,572)</u>
<b>Total Capital Fund</b>	<u>(1,215,301)</u>	<u>(709,729)</u>	<u>(505,572)</u>
<b>Total Fund Balance</b>	<u>\$ 7,798,294</u>	<u>\$ 6,823,836</u>	<u>\$ 974,458</u>

**5. GENERAL FUND BUDGETARY HIGHLIGHTS**

**A. 2022-2023 Budget**

The District's General Fund adopted budget for the year ended June 30, 2023, was \$23,802,607. This is an increase of \$509,319 over the prior year's adopted budget.

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

The budget was funded through a combination of revenues and designated fund balance. The majority of this funding source was \$7,557,645 in estimated property taxes and STAR and \$15,221,230 for State Aid.

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

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

Opening, Unassigned Fund Balance	\$ 2,591,654
Revenues Over (Under) Budget and Appropriated Fund Balance	(344,365)
Expenditures and Encumbrances Under Budget	1,827,323
Encumbrances Carried Over to June 30, 2023	131,281
Increase in Appropriated Fund Balance for June 30, 2024	(300,000)
Net Increase to Restricted Funds	<u>(1,200,136)</u>
Closing, Unassigned Fund Balance	<u>\$ 2,705,757</u>

Opening, Unassigned Fund Balance

The amount of \$2,591,654 shown in the table is the portion of the District's June 30, 2022, fund balance that was retained as unassigned. This was 10.9 % of the District's 2022-2023 voter and Board approved operating budget.

Revenues Over (Under) Budget and Appropriated Fund Balance

The 2022-2023 final budget for revenues and other financing sources were \$23,933,888. The actual revenues and other financing sources received for the year were \$23,589,523. The actual revenue and other financing sources were underestimated of budgeted revenue by \$344,365. This variance contributes directly to the change to the unassigned portion of the General Fund balance from June 30, 2022 to June 30, 2023.

Expenditures and Encumbrances Under Budget

The 2022-2023 final budget for expenditures and other financing uses was \$23,933,888. The actual expenditures and other financing uses were \$22,106,565. The final budget was under expended and encumbered by \$1,827,323. This under expenditure offset by the June 30, 2023 encumbrances of \$15,772 contributes to the change to the unassigned portion of the General Fund balance from June 30, 2022 to June 30, 2023.

Net Increase to Restricted Funds

The District has chosen to fund its reserves in the current year. The net effect of those transactions resulted in an increase to the District reserves in the amount of \$1,200,136.

Closing, Unassigned Fund Balance

Based upon the summary changes shown in the above table, the District will begin the 2023-2024 fiscal year with an unassigned fund balance of \$2,705,757. This is an increase of \$114,103 from the unassigned balance from the prior year. This amount was 11.2% of the District's 2023-2024 approved operating budget.



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

**6. CAPITAL ASSET, RIGHT TO USE ASSET, AND DEBT ADMINISTRATION**

**A. Capital Assets**

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

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>
Land	\$ 223,535	\$ 223,535	\$
Construction in Progress	1,414,014	908,442	505,572
Buildings and Improvements	22,016,653	23,340,800	(1,324,147)
Furniture, Equipment and Vehicles	<u>297,301</u>	<u>205,217</u>	<u>92,084</u>
Capital Assets, Net	<u>\$ 23,951,503</u>	<u>\$ 24,677,994</u>	<u>\$ (726,491)</u>

**B. Right to Use Leased Assets**

At June 30, 2023, the District reported right to use assets, net of accumulated amortization for leased equipment and buses as follows:

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>
Right to Use Leased Assets - Vehicles and Equipment, Net	<u>\$ 1,191,373</u>	<u>\$ 1,665,960</u>	<u>\$ (474,587)</u>

**C. Debt Administration**

At June 30, 2023, the District had total long term debt payable of \$2,430,000. At June 30, 2023, A summary of the outstanding debt at June 30, 2023 and 2022 is as follows:

<u>Issue Date</u>	<u>Interest Rate %</u>	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>
<b>Serial Bonds</b>				
09/19/12	2.00-4.00	\$ 510,000	\$ 755,000	\$ (245,000)
11/09/17	2.00-5.00	<u>1,920,000</u>	<u>2,845,000</u>	<u>(925,000)</u>
Total Serial Bonds		<u>\$ 2,430,000</u>	<u>\$ 4,475,000</u>	<u>\$ (2,045,000)</u>

**7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

- The voters of the Unatego Central School District approved a budget of \$24,071,169 for the 2023-2024 school year.
- The District has begun work on a \$27,695,000 capital project approved by the voters in May, 2021. The project includes proposed work at the elementary school, middle school/ high school and the bus garage.
- The District is also in the early stages of an energy performance contract with anticipation of long term energy savings for the District.

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

---

**8. CONTACTING THE DISTRICT**

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School District's Business Office, Unatego Central School District, 2641 State Highway 7, Otego, New York 13825.

**UNATEGO CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**June 30, 2023**

<b>Assets</b>	
Cash and Cash Equivalents	\$ 3,894,986
Restricted Cash and Cash Equivalents	5,273,336
Receivables	
Other Governments	1,597,208
Other Receivables	55,358
Inventory	21,839
Right to Use Leased Assets (Net of Accumulated Amortization)	1,191,373
Capital Assets (Net of Accumulated Depreciation)	<u>23,951,503</u>
Total Assets	<u>35,985,603</u>
<b>Deferred Outflows of Resources</b>	
Deferred Outflow-Pensions	4,934,744
Deferred Outflow-OPEB	1,378,886
Deferred Charge from Refunding of Debt (Net of Amortization)	<u>116,322</u>
Total Deferred Outflows of Resources	<u>6,429,952</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<b><u>\$ 42,415,555</u></b>
<b>Liabilities</b>	
Accounts Payable	\$ 456,306
Accrued Liabilities	236,897
Accrued Interest Payable	38,562
Due To	
Other Governments	31
Teachers' Retirement System	743,141
Employees' Retirement System	74,483
Short-Term Notes Payables	
Bond Anticipation Notes	1,500,000
Noncurrent Liabilities	
Due Within One Year	1,571,085
Due in More Than One Year	<u>23,668,423</u>
Total Liabilities	<u>28,288,928</u>
<b>Deferred Inflows of Resources</b>	
Deferred Inflow-Pensions	445,411
Deferred Inflow-OPEB	<u>11,769,382</u>
Total Deferred Inflows of Resources	<u>12,214,793</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b><u>40,503,721</u></b>
<b>Net Position</b>	
Net Investment in Capital Assets	20,360,737
Restricted	5,274,293
Unrestricted (Deficit)	<u>(23,723,196)</u>
Total Net Position (Deficit)	<u>1,911,834</u>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b><u>\$ 42,415,555</u></b>

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

**UNATEGO CENTRAL SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2023**

<b>Functions/Programs</b>	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
General Support	\$ 4,731,407	\$	\$	\$ (4,731,407)
Instruction	16,181,935	143,488	2,324,453	(13,713,994)
Pupil Transportation	1,378,004			(1,378,004)
Community Service	25,971			(25,971)
Food Service Program	611,389	32,485	539,170	(39,734)
Debt Service-Unallocated Interest	205,953			(205,953)
Total Functions/Programs	\$ 23,134,659	\$ 175,973	\$ 2,863,623	(20,095,063)
 <b>General Revenues</b>				
Real Property Taxes				6,474,596
STAR and Other Real Property Tax Items				1,083,384
Use of Money and Property				269,274
Sale of Property and Compensation for Loss				(284,814)
State and Federal Sources				15,341,223
Miscellaneous				286,706
Total General Revenues				23,170,369
Change in Net Position				3,075,306
Net Position (Deficit), Beginning of Year				(1,163,472)
Net Position (Deficit), End of Year				\$ 1,911,834

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

**UNATEGO CENTRAL SCHOOL DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUNDS**

June 30, 2023

	General	School Lunch	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital	Total
<b>Assets</b>							
Cash and Cash Equivalents	\$ 3,303,151	\$ 144,080	\$ 197,780	\$	\$	\$ 249,975	\$ 3,894,986
Restricted Cash and Cash Equivalents	5,146,339			93,029	33,968		5,273,336
Receivables							
Other Governments	997,296	54,722	545,190				1,597,208
Due from Other Funds	740,164				1,220	344,544	1,085,928
Other Receivables	55,358						55,358
Inventory		21,839					21,839
Total Assets	<u>\$ 10,242,308</u>	<u>\$ 220,641</u>	<u>\$ 742,970</u>	<u>\$ 93,029</u>	<u>\$ 35,188</u>	<u>\$ 594,519</u>	<u>\$ 11,928,655</u>
<b>Liabilities</b>							
Payables							
Accounts Payable	\$ 130,648	\$ 10,759	\$ 6,299	\$	\$	\$ 308,600	\$ 456,306
Accrued Liabilities	223,049	7,331	6,517				236,897
Accrued Interest	33,575						33,575
Due To							
Other Governments		31					31
Other Funds	344,544	9,747	730,154		263	1,220	1,085,928
Teachers' Retirement System	743,141						743,141
Employees' Retirement System	74,483						74,483
Short-Term Notes Payables							
Bond Anticipation Notes						1,500,000	1,500,000
Total Liabilities	<u>1,549,440</u>	<u>27,868</u>	<u>742,970</u>		<u>263</u>	<u>1,809,820</u>	<u>4,130,361</u>
<b>Fund Balance</b>							
Nonspendable		21,839					21,839
Restricted	5,146,339			93,029	34,925		5,274,293
Assigned	840,772	170,934					1,011,706
Unassigned	2,705,757					(1,215,301)	1,490,456
Total Fund Balance	<u>8,692,868</u>	<u>192,773</u>		<u>93,029</u>	<u>34,925</u>	<u>(1,215,301)</u>	<u>7,798,294</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 10,242,308</u>	<u>\$ 220,641</u>	<u>\$ 742,970</u>	<u>\$ 93,029</u>	<u>\$ 35,188</u>	<u>\$ 594,519</u>	<u>\$ 11,928,655</u>

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

**UNATEGO CENTRAL SCHOOL DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCES**  
**TO THE DISTRICT-WIDE NET POSITION**  
**June 30, 2023**

Total Governmental Fund Balances \$ 7,798,294

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

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

Original Cost of Right to Used Leased Assets	2,709,462
Accumulated Amortization	(1,518,089)
Original Cost of Capital Assets	41,820,460
Accumulated Depreciation	<u>(17,868,957)</u>
	<u>25,142,876</u>

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources until that time. Deferred outflows of resources at year end consisted of:

Deferred Outflows - Pensions	4,934,744
Deferred Outflows - OPEB	1,378,886
Deferred Charge on Advance Refunding	<u>116,322</u>
	<u>6,429,952</u>

Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time. Deferred inflows of resources at year end consisted of:

Deferred Inflows - Pensions	(445,411)
Deferred Inflows - OPEB	<u>(11,769,382)</u>
	<u>(12,214,793)</u>

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

Net Pension Liability - Proportionate Share	<u>(2,266,508)</u>
---	--------------------

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

Bonds Payable	(2,430,000)
Unamortized Premium	(190,724)
Accrued Interest on Bonds Payable	(4,987)
Lease Liability	(1,249,200)
Other Postemployment Liabilities	(18,759,998)
Compensated Absences Payable	<u>(343,078)</u>
	<u>(22,977,987)</u>

Total Net Position (Deficit) \$ 1,911,834

**UNATEGO CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**ALL GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2023**

	Miscellaneous						Total
	General	School Lunch	Special Aid	Special Revenue	Debt Service	Capital	
<b>Revenues</b>							
Real Property Taxes	\$ 6,474,596	\$	\$	\$	\$	\$	\$ 6,474,596
STAR and Other Real Property Tax Items	1,083,384						1,083,384
Charges for Services	143,488						143,488
Use of Money and Property	261,930	8			7,336		269,274
Sale of Property and Compensation for Loss	49,482						49,482
Miscellaneous	235,420	46,896		4,710			287,026
State Aid	15,253,422	28,982	193,390				15,475,794
Federal Aid	87,801	510,188	2,131,063				2,729,052
School Lunch Sales		32,485					32,485
<b>Total Revenues</b>	<u>23,589,523</u>	<u>618,559</u>	<u>2,324,453</u>	<u>4,710</u>	<u>7,336</u>		<u>26,544,581</u>
<b>Expenditures</b>							
General Support	3,703,127			6,775			3,709,902
Instruction	9,217,240		2,324,453				11,541,693
Pupil Transportation	1,378,004						1,378,004
Community Service	25,971						25,971
Food Service Program		611,389					611,389
Employee Benefits	4,663,870	81,141					4,745,011
Capital Outlay						1,021,505	1,021,505
Debt Service - Principal	2,805,531						2,805,531
Debt Service - Interest	247,050						247,050
<b>Total Expenditures</b>	<u>22,040,793</u>	<u>692,530</u>	<u>2,324,453</u>	<u>6,775</u>		<u>1,021,505</u>	<u>26,086,056</u>
Excess (Deficit) Revenues Over Expenditures	<u>1,548,730</u>	<u>(73,971)</u>		<u>(2,065)</u>	<u>7,336</u>	<u>(1,021,505)</u>	<u>458,525</u>
<b>Other Financing Sources (Uses)</b>							
Proceeds of Leases						515,933	515,933
Transfers from Other Funds		50,000					50,000
Transfers to Other Funds	(50,000)						(50,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(50,000)</u>	<u>50,000</u>				<u>515,933</u>	<u>515,933</u>
<b>Excess Revenues Over Expenditures and Other Financing Sources (Uses)</b>	<u>1,498,730</u>	<u>(23,971)</u>		<u>(2,065)</u>	<u>7,336</u>	<u>(505,572)</u>	<u>974,458</u>
<b>Fund Balance, Beginning of Year</b>	<u>7,194,138</u>	<u>216,744</u>		<u>95,094</u>	<u>27,589</u>	<u>(709,729)</u>	<u>6,823,836</u>
<b>Fund Balance (Deficit), End of Year</b>	<u>\$ 8,692,868</u>	<u>\$ 192,773</u>		<u>\$ 93,029</u>	<u>\$ 34,925</u>	<u>\$ (1,215,301)</u>	<u>\$ 7,798,294</u>

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

Net Changes in Fund Balance - Total Governmental Funds \$ 974,458

Capital Outlays to purchase, lease or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of Net Position and allocated over their useful lives as depreciation and amortization expenses in the statement of activities. This is the amount by which capital and leased asset additions exceeded depreciation and amortization expense in the period.

Loss on Disposal of Assets	(334,616)	
Lease Additions	515,933	
Amortization Expense	(990,520)	
Depreciation Expense	(1,104,202)	
Capital Additions	<u>712,327</u>	(1,201,078)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of Net Position. Repayments of bond and lease principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of Net Position. This is the amount of principal repayments during the period.

Proceeds of Leases	(515,933)	
Repayment of Lease Principal	760,531	
Repayment Bond Principal	<u>2,045,000</u>	2,289,598

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

Change in Accrued Interest on Serial Bonds	3,896	
Amortization of Deferred Premium	95,362	
Amortization of Deferred Charge on Advance Refunding	(58,161)	
Other Postemployment Liabilities (including deferred inflows)	1,529,260	
Change in Compensated Absences	2,860	
Change in Pension Expense	<u>(560,889)</u>	<u>1,012,328</u>

Change in Net Position Governmental Activities \$ 3,075,306



**UNATEGO CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**June 30, 2023**

---

	<u>Custodial Fund</u>
<b>Assets</b>	
Cash and Cash Equivalents - Restricted	<u>\$ 194,857</u>
<b>Liabilities</b>	
Accrued Liabilities	<u>98,201</u>
<b>Net Position</b>	
Restricted for Extraclassroom Activities	<u>96,656</u>
<b>Total Liabilities and Net Position</b>	<u>\$ 194,857</u>

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

**UNATEGO CENTRAL SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
For the Year Ended June 30, 2023**

---

	<u>Custodial Fund</u>
<b>Additions</b>	
Charges for Services, Sale of Property, and Miscellaneous	\$ 101,890
<b>Deductions</b>	
Club Activities	<u>96,548</u>
<b>Change in Net Position</b>	5,342
<b>Net Position, Beginning of Year</b>	<u>91,314</u>
<b>Net Position, End of Year</b>	<u>\$ 96,656</u>

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

**UNATEGO CENTRAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2023**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

***Reporting Entity***

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

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

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

**(a) *Extraclassroom Activity Funds***

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

***Joint Venture***

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

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

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

**UNATEGO CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2023**

---

***Basis of Presentation***

**(a) *District-Wide Statements***

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

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

**(b) *Fund Financial Statements***

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

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

***Special Revenue Funds:***

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

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

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

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

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

**(c) *Fiduciary Funds***

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

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

**UNATEGO CENTRAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2023**

---

***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 School District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, State aid, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from state aid is recognized in the fiscal year it is appropriated by the state. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers all revenues reported in the governmental funds to be available if the revenues are collected within six months after the end of the fiscal year.

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

***Estimates***

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

***Cash and Cash Equivalents***

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

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

***Property Taxes***

Real property taxes are levied annually by the Board of Education no later than September 1. Taxes are collected during the period September 1 to November 1. Uncollected real property taxes are subsequently enforced by the Counties of Otsego and Delaware 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.

***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.

**UNATEGO CENTRAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2023**

---

***Interfund Transactions and Transfers***

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

The amounts reported on the Statement of Net Position for due to and due from other funds represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the interfund transactions for governmental funds throughout the year is shown in Note 15 to the financial statements.

***Capital Assets***

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

The School District uses capitalization thresholds of \$3,500 (the dollar value above which asset acquisitions are added to the capital asset accounts for grouped like assets or individual assets). Depreciation methods and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	Lives	Depreciation Method
Land Improvements	20 Years	Straight Line
Buildings and Improvements	20-40 Years	Straight Line
Furniture, Equipment, and Vehicles	5-15 Years	Straight Line

***Right to Use Leased Assets***

The School District has recorded right to use lease assets as a result of implementing GASB No. 87, *Leases*. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term. The right to use assets are amortized on a straight-line basis over the life of the related lease, which range from 3-5 years.

***Unearned Revenue***

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

***Deferred Outflow of Resources***

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

***Inventories***

The inventory, which consists of surplus food, purchased food and supplies in the School Lunch Fund, is recorded at cost on a first-in, first-out basis, 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 year-end balances are not maintained.

**UNATEGO CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2023**

---

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

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

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

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position.

***Compensated Absences***

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

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

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

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

***Retirement Plans***

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

***Postemployment Benefits***

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

***Deferred Inflows of Resources***

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

***Equity Classifications***

***(a) District-Wide Financial Statements***

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

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

**UNATEGO CENTRAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2023**

---

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

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

**(b) Fund Statements**

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

***Non-Spendable***

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

***Restricted Resources***

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

- ***Capital Reserve***

According to Education Law §3651, the Capital Reserve Fund is used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of 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 reserve is accounted for in the General Fund.

- ***Reserve for Repairs***

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

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

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

- ***Reserve for Retirement Contribution***

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



**UNATEGO CENTRAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2023**

---

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

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

- ***Reserve for Unemployment Insurance***

The Unemployment Insurance Reserve (GML §6-m) is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve is 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 School 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. This reserve is accounted for in the General Fund.

***Unrestricted Resources***

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

- ***Committed*** – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2023.
- ***Assigned*** – Includes amounts that are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Board of Education or (b) the designated official, such as the District's Purchasing Agent, to which the Board has delegated the authority to assign amounts to be used for specific purposes. All encumbrances, other than in the Capital Fund, are classified as Assigned Fund Balance in the applicable fund. The amount appropriated for the subsequent year's budget of the General fund is also classified as Assigned Fund Balance in the General Fund.
- ***Unassigned*** – Includes all other fund resources that do not meet the definition of the above classifications and are deemed to be available for general use by the School District. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the respective fund.

***(c) Reserve for Endowment and Scholarships***

This reserve is used to account for various endowment and scholarship awards. This reserve is accounted for in the miscellaneous special revenue fund.

***(d) Order of Use of Fund Balance***

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

**UNATEGO CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2023**

---

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

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

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

A total fund balance of the School District's governmental funds differs from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheet.

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

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

***(a) Long-Term Revenue Differences***

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

***(b) Capital Related Differences***

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

***(c) Long-Term Debt Transaction Differences***

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

***(d) Employee Benefit Allocation***

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

***(e) Pension Differences***

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

***(f) OPEB Differences***

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

**UNATEGO CENTRAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2023**

---

**3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

***General Fund – Statutory Unassigned Fund Balance Limit***

The School District’s unassigned fund balance was over the New York State Real Property Tax Law §1318 limit, which restricts it to an amount not greater than 4% of the School District’s budget for the upcoming school year. At June 30, 2023, the School District’s unassigned fund balance was 11.2% of the 2023-2024 budget.

***Statutory Debt Limit***

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

***Budgetary Procedures and Budgetary Accounting***

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

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

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. During the year ended June 30, 2022, the District did not make any supplemental appropriations.

**Change from Adopted Budget to Revised Budget**

Adopted Budget	\$ 23,802,607
Add: Prior Year's Encumbrances	<u>131,281</u>
Original Budget	<u>23,933,888</u>
Final Budget	<u>\$ 23,933,888</u>

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.

***Encumbrances***

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

***NYS Real Property Tax Cap***

Chapter 97 of the Laws of 2011 established a property tax levy limit (generally referred to as the tax cap) that restricts the amount of property taxes local governments including school districts can levy. The tax levy for the 2022-2023 school year was in compliance with the NYS Tax Cap Limit.

**UNATEGO CENTRAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2023**

**4. CASH AND CASH EQUIVALENTS**

***Custodial Credit Risk***

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

As of June 30, 2023, the School District's bank balances of \$9,093,171 were fully covered by FDIC or collateralized with securities held by an agent of the pledging financial institutions in the School District's name and not exposed to custodial credit risk.

***Restricted Cash and Cash Equivalents***

Restricted Cash and Cash Equivalents of \$5,273,336 in the Governmental Funds represent the following:

	<u>General</u>	<u>Micellaneous Special Revenue</u>	<u>Debt Service</u>	<u>Total</u>
<b>Restricted Cash</b>				
Retirement Contribution- ERS	\$ 658,638	\$	\$	\$ 658,638
Unemployment Insurance	98,700			98,700
Retirement Contribution- TRS	494,200			494,200
Employee Benefit Accrued Liability	343,235			343,235
Capital Reserve	2,800,000			2,800,000
Workers Compensation	207,267			207,267
Liability Reserve	45,000			45,000
Debt Service			33,968	33,968
Repair reserve	499,299			499,299
Scholarships and Donations		93,029		93,029
<b>Total Restricted</b>	<u>\$ 5,146,339</u>	<u>\$ 93,029</u>	<u>\$ 33,968</u>	<u>\$ 5,273,336</u>

**5. PARTICIPATION IN BOCES**

During the year, the School District was billed \$4,812,468 for BOCES' administrative and program costs.

During the year ended June 30, 2023, the School District issued no debt on behalf of BOCES. However, during 2008, the BOCES issued \$47,755,000 in Revenue Lease Bonds with the Dormitory Authority of the State of New York (DASNY). These bonds will be repaid by the component districts of the BOCES as a lease payment included in the administrative budget of the BOCES over the term of the bonds. During 2023, a \$2,735,000 principal payment was made for the bond, leaving \$15,880,000 outstanding at June 30, 2023. The Bonds were refinanced through DASNY in June 2016, to reduce the debt service expenditures over the remaining life of the bonds.

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

**UNATEGO CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2023**

**6. CAPITAL AND RIGHT TO USE LEASED ASSETS**

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 223,535	\$	\$	\$ 223,535
Construction in Progress	<u>908,442</u>	<u>505,572</u>	<u></u>	<u>1,414,014</u>
Total	<u>1,131,977</u>	<u>505,572</u>	<u></u>	<u>1,637,549</u>
<b>Capital Assets Being Depreciated</b>				
Buildings and Improvements	35,797,327		258,859	35,538,468
Improvements Other than Buildings	2,405,423		68,000	2,337,423
Furniture, Equipment and Vehicles	<u>2,729,666</u>	<u>206,755</u>	<u>629,401</u>	<u>2,307,020</u>
Total	<u>40,932,416</u>	<u>206,755</u>	<u>956,260</u>	<u>40,182,911</u>
<b>Accumulated Depreciation</b>				
Buildings and Improvements	13,716,925	986,298	29,060	14,674,163
Improvements Other than Buildings	1,145,025	40,050		1,185,075
Furniture, Equipment and Vehicles	<u>2,524,449</u>	<u>77,854</u>	<u>592,584</u>	<u>2,009,719</u>
Total	<u>17,386,399</u>	<u>1,104,202</u>	<u>621,644</u>	<u>17,868,957</u>
<b>Net Capital Assets Being Depreciated</b>	<u>23,546,017</u>	<u>(897,447)</u>	<u>334,616</u>	<u>22,313,954</u>
<b>Net Capital Assets</b>	<u>\$ 24,677,994</u>	<u>\$ (391,875)</u>	<u>\$ 334,616</u>	<u>\$ 23,951,503</u>

Depreciation expense and loss on disposal were allocated and charged as follows based on estimated usage by function:

<u>Function/Program</u>	
General Support	\$ 162,343
Instruction	865,899
Pupil Transportation	60,568
School Lunch	<u>15,392</u>
Total Depreciation	<u>\$ 1,104,202</u>

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Right to Use Leased Assets</b>				
Leased Equipment	\$ 2,793,298	\$ 515,933	\$ (599,769)	\$ 2,709,462
<b>Accumulated Amortization</b>				
Leased Equipment	<u>1,127,338</u>	<u>990,520</u>	<u>(599,769)</u>	<u>1,518,089</u>
<b>Net Right to Use Leased Assets</b>	<u>\$ 1,665,960</u>	<u>\$ (474,587)</u>	<u>\$</u>	<u>\$ 1,191,373</u>

Amortization expense of \$990,520 is charged to instruction.

**UNATEGO CENTRAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2023**

**7. SHORT TERM DEBT**

Summary of short term debt is as follows:

<u>Payable From/Description</u>	<u>Date of Original Issue</u>	<u>Original Amount</u>	<u>Date of Final Maturity</u>	<u>Interest Rate (%)</u>	<u>Outstanding Amount</u>
General Fund					
Bond Anticipation Note	07/22	\$ 1,500,000	07/23	2.37	1,500,000

Total interest for the year was as follows:

Interest Paid	\$ 218,150
Less: Interest Accrued in the Prior Year	(4,675)
Plus: Interest Accrued in the Current Year	33,575
Total Interest Expense on Short -Term Debt	<u>\$ 247,050</u>

**8. NONCURRENT LIABILITIES**

***Summary of Noncurrent Liabilities***

Noncurrent liability balances and activity are as follows:

<u>Description</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Paid</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Serial Bonds Payable	\$ 4,475,000	\$	\$ (2,045,000)	\$ 2,430,000	\$ 1,200,000
Unamortized Premium	286,086		(95,362)	190,724	95,362
	<u>4,761,086</u>		<u>(2,140,362)</u>	<u>2,620,724</u>	<u>1,295,362</u>
Other Liabilities					
Lease Liability	1,493,798	515,933	(760,531)	1,249,200	275,723
Net Pension Liability		2,266,508		2,266,508	
OPEB Liability	18,584,503	736,294	(560,799)	18,759,998	
Compensated Absences	345,938		(2,860)	343,078	
Total Governmental Activities	<u>\$ 25,185,325</u>	<u>\$ 1,252,227</u>	<u>\$ (3,464,552)</u>	<u>\$ 25,239,508</u>	<u>\$ 1,571,085</u>

***Serial Bonds***

The School District borrows funds on a long-term basis for the purpose of financing acquisitions of land and equipment on construction of buildings and improvements. This policy enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities for governmental funds are maintained separately and represent a reconciling item between the fund and District-wide statements. Interest associated with long-term debt is recorded as expenditure when such amounts are due.

**UNATEGO CENTRAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2023**

The following is a statement of serial bonds with corresponding maturity schedules:

Payable From/Description	Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate (%)	Outstanding Amount
Serial Bond Capital Project	06/25/10	\$ 13,955,000	06/25/25	3.00 - 5.00%	510,000
Series 2017F DASNY Refunding	11/09/17	\$ 4,595,000	06/25/25	2.00 - 5.00%	1,920,000
Total					<u>\$ 2,430,000</u>

Principal and interest payments due on general obligation debt are as follows:

For the Year Ending June 30,	Principal	Interest	Total
2024	1,200,000	119,700	1,319,700
2025	1,230,000	60,200	1,290,200
Total	<u>\$ 2,430,000</u>	<u>\$ 179,900</u>	<u>\$ 2,609,900</u>

***Advance Refunding***

On November 9, 2017, the School District issued \$4,595,000 in general obligation bonds with an average interest rate of 2.0% to 5.0% to advance refund a portion of \$4,765,000 of outstanding 2010 serial bonds with an average interest rate of 3.00% to 5.00%. The net proceeds of \$5,230,285 (after payment of \$127,612 in underwriting fees, insurance, and other issuance costs) were used to purchase United States government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, a portion of the 2010 serial bonds are considered to be defeased, and the liability for those bonds has been removed from the School District's financial statements. At June 30, 2023, the balance of the advance refunded bonds was \$2,970,000.

The deferred gain on the advance refunding of a portion of the 2010 Series Bonds will be amortized on the District-wide financial statements using the straight-line method over 8 years, the remaining time to maturity of the refunded bonds.

***Prior-Year Defeasance of Debt***

In prior years, the School District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School District's financial statements. On June 30, 2023, \$5,910,000 of bonds outstanding are considered defeased.

***Unamortized Premium***

The original issue premiums on bonds has been deferred and recorded as an addition to long-term liabilities on the District-wide financial statements. The premiums are being amortized using the straight-line method over 8 years, the remaining time to maturity of the respective bond issue. The current year amortization is \$95,362 and is included as a reduction to interest expense on the statement of activities.

Deferred Premium from Refunding of Debt	\$ 762,897
Less: Amount Recognized	<u>(572,173)</u>
Unamortized Premium	<u>\$ 190,724</u>

**UNATEGO CENTRAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2023**

***Deferred Outflows of Resources***

The cost of issuing the serial bonds has been capitalized and recorded as a deferred outflow on the District-wide financial statements. The cost is being amortized using the straight-line method over 8 years, the remaining time to maturity of the bonds. The current year amortization is \$58,161 and is included as an addition to interest expense on the statement of activities.

Deferred Charge from Refunding of Debt	\$ 465,285
Less: Accumulated Amortization	<u>(348,963)</u>
Net Capitalized Refunding of Debt Costs	<u>\$ 116,322</u>

***Debt Limit***

Pursuant to the Local Finance Law, the School District has the power to contract indebtedness for any school district purpose authorized by the legislature of the State of New York provided the aggregate principal amount thereof shall not exceed ten percent of the full valuation of the taxable real estate of the School District and subject to certain enumerated deductions such as State aid for building purposes. The Constitutional and statutory method for determining full valuation consist of taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Board of Real Property Services. The Legislature also is required to prescribe the manner by which such ratio shall be determined by such authority. At June 30, 2023, the School District exhausted 22.7% of its Statutory Debt Limit.

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

Total interest for the year was as follows:	
Interest Paid	247,050
Amortization of Deferred Charge on Advance Refunding	58,161
Amortization of Deferred Premium	(95,362)
Less: Interest Accrued in the Prior Year	(8,883)
Plus: Interest Accrued in the Current Year	<u>4,987</u>
Total Interest Expense on Long-Term Debt	<u>\$ 205,953</u>

***Lease Liability***

The District has entered into agreements with the BOCES and other vendors to lease certain equipment such as vehicles, copiers and other technology equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of the inception of the agreements.

The following is a schedule of District leases:

<u>Description</u>	<u>Lease Inception Date</u>	<u>Term</u>	<u>Interest Rate</u>	<u>Annual Payment</u>	<u>Lease Liability</u>
SCH460	03/01/23	5	5.00%	\$ 23,828	\$ 93,565
SCH446	06/30/21	5	5.00%	33,357	119,735
SCH433	04/14/21	5	5.00%	31,726	81,343
SCH419	04/15/20	5	5.00%	31,633	52,889
SCH398	04/10/19	5	5.00%	30,492	53,301
SCH373	04/11/18	5	5.00%	30,157	22,336
Bus #10	07/22/19	5	3.23%	70,086	68,871
Bus #11	07/01/20	5	3.21%	92,101	178,168
Bus #12	07/01/21	5	2.35%	87,758	253,950
Bus #13	08/15/22	5	3.85%	89,388	<u>325,042</u>
					<u>\$ 1,249,200</u>



**UNATEGO CENTRAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2023**

Future lease payments are as follows:

For the Year Ending	Lease Liability		
June 30,	Principal	Interest	Total
2024	\$ 275,723	\$ 20,883	\$ 296,606
2025	430,666	29,169	459,835
2026	312,414	14,941	327,355
2027	189,997	5,814	195,811
2028	40,400	931	41,331
Total	<u>\$1,249,200</u>	<u>\$ 71,738</u>	<u>\$ 1,320,938</u>

**9. PENSION PLANS**

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

*(a) Plan Description*

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

The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November, 2022, he was reelected for a new term commencing January 1, 2023. System benefits are established under the provisions of the New York State Retirement and Social

Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System maintains records and accounts, and prepares financial statements using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable. Investments are recognized at fair value. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

*(b) Contributions*

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

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

	<u>Amount</u>
2021	\$ 245,044
2022	\$ 261,055
2023	\$ 295,807

**UNATEGO CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2023**

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

At June 30, 2023, the School District reported a liability of \$1,567,529 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2022. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2023, the School District's proportion was .0073099 percent which represents an increase of .0011689 from the District's proportion at June 30, 2022.

For the year ended June 30, 2023, the School District recognized pension expense of \$631,008. At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 166,954	\$ 44,022
Change of Assumptions	761,293	8,414
Net Difference Between Projected and Actual Earnings on Pensions Plan Investments		9,209
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	100,548	15,252
Contributions Subsequent to the Measurement Date	74,483	
Total	\$ 1,103,278	\$ 76,897

Amounts reported as deferred outflows/inflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/liability in the year ended June 30, 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:

Year ended June 30:

2024	\$	235,785
2025	\$	(54,380)
2026	\$	332,981
2027	\$	437,513

**(d) Actuarial Assumptions**

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

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

Investment rate of return (net of investment expense, including inflation)	5.90%
Cost of Living Adjustments	1.50%
Salary scale	4.40%
Inflation rate	2.90%

**UNATEGO CENTRAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2023**

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

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

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

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2022 are summarized below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	32%	4.30%
International equity	15%	6.85%
Private equity	10%	7.50%
Real estate	9%	4.60%
Opportunistic/Absolute Return Strategy	3%	5.38%
Credit	4%	5.43%
Real Assets	3%	5.84%
Fixed Income	23%	1.50%
Cash	1%	0.00%
	100%	

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

**(e) Discount Rate**

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

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

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

	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Proportionate Share of the Net Pension (Asset)Liability	\$ 3,788,046	\$ 1,567,529	\$ (287,971)

**UNATEGO CENTRAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2023**

**(g) Pension Plan Fiduciary Net Position**

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

**(h) Payables to the Pension Plan**

The School District has recorded an amount due to ERS in amount of \$74,483 at June 30, 2023. This amount represents the three months of the School District’s fiscal year that will be covered in the ERS 2023-2024 billing cycle and has been accrued as an expenditure in the current year.

**B. New York State Teachers’ Retirement System (TRS)**

**(a) Plan Description**

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

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

**(b) Contributions**

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

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

		Amount
2021	\$	595,533
2022	\$	636,900
2023	\$	677,841

**UNATEGO CENTRAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2023**

**(c) Pension Asset/Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2023, the School District reported a liability of \$698,979 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2022, the School District's proportion was .036426 percent, which was a decrease of .000391 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the School District recognized a pension expense of \$926,893. At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 732,441	\$ 14,006
Changes of Assumptions	1,355,901	281,568
Net Difference Between Projected and Actual Earnings on Pensions Plan Investments	903,147	
Changes in Proportion and Differences Between Contributions Changes in proportion	170,842	83,391
Contributions Subsequent to the Measurement Date	677,841	
Total	\$ 3,840,172	\$ 378,965

At June 30, 2023, \$677,841 was reported as a deferred outflow of resources related to pensions resulting from School District contributions subsequent to the measurement date, and, will be recognized as a reduction of the net pension asset. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2023	\$	564,032
2024	\$	303,161
2025	\$	(102,586)
2026	\$	1,770,813
2027	\$	235,098
Thereafter	\$	12,848

**(d) Actuarial Assumptions**

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

**UNATEGO CENTRAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2023**

Significant actuarial assumptions used in the June 30, 2021 valuation were as follows:

Investment Rate of Return	6.95 % compounded annually, net of pension plan investment expense, including inflation.	
Salary scale	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.	
	<b>Service</b>	<b>Rate</b>
	5	5.18%
	15	3.64%
	25	2.50%
	35	1.95%
Projected COLAs	1.3% compounded annually.	
Inflation rate	2.40%	

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

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Domestic equities	33.0%	6.5%
International equities	16.0%	7.2%
Global equities	4.0%	6.9%
Real estate equities	11.0%	6.2%
Private Equities	8.0%	9.9%
Domestic fixed income	16.0%	1.1%
Global bonds	2.0%	0.6%
High-yield bonds	1.0%	3.3%
Private debt	2.0%	5.3%
Real estate debt	6.0%	2.4%
Cash Equivalents	1.0%	-0.3%
	<u>100%</u>	

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

**UNATEGO CENTRAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2023**

**(e) Discount Rate**

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

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

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

	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Proportionate Share of the Net Pension Liability (Asset)	\$ 6,444,913	\$ 698,979	\$ (4,133,314)

**(g) Pension Plan Fiduciary Net Position**

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

**(h) Payables to the Pension Plan**

The School District has recorded an amount due to TRS, including the employee share, in amount of \$677,841 in the General Fund at June 30, 2023. This amount represents the contribution for the 2022-2023 fiscal year that will be made in 2023-2024 and has been accrued as an expenditure in the current year.

**10. OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**(a) Plan Descriptions**

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

**(b) Benefits Provided**

Unatego Central School District provides medical and prescription drug insurance benefits for retirees, spouses and their covered dependents while contributing a portion of the expenses. Such post-employment benefits are an included value in the exchange of salaries and benefits for employee services rendered. An employee's total compensation package includes not only the salaries and benefits received during active service, but all compensation and benefits received for their services during post-employment. Nevertheless, both types of benefits constitute compensation for employee services. The contribution requirements of plan members and the District are established by the Board of Education. The required contribution is based on projected pay-as-you-go financing requirements. Employees are required to reach age 55 and have 10 years of service to qualify for the plan. The District pays various percentages of the retiree's benefits depending on the employees group. Surviving spouses are required to pay 100% of the cost following the death of the retiree.

**UNATEGO CENTRAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2023**

**(c) Employees Covered by Benefit Terms**

	Total
Inactive employees currently receiving benefit payments	119
Active employees	140
Total	259

**(d) Total OPEB Liability**

The District's total OPEB liability of \$18,759,998 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022.

**(e) Changes in the Total OPEB Liability**

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

	Total OPEB Liability
Balances, June 30, 2022	\$ 18,584,503
Changes recognized for the year:	
Service cost	716,822
Interest on Total OPEB Liability	673,427
Effect of demographic gains or losses	-
Effect of assumptions changes or inputs	(653,955)
Benefit payments	(560,799)
Net changes	175,495
Balances, June 30, 2023	\$ 18,759,998

**(f) Actuarial Methods and Assumptions**

The total OPEB liability was determined by an actuarial valuation as of July 1, 2021 rolled forward to June 30, 2023, the measurement date. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Valuation Date	July 1, 2021
Measurement Date	June 30, 2023
Reporting Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal - Level Percent of Pay
Wage Inflation	2.40%
Medical Trend Rates	5.1% to 4.1% over 56 years
Discount Rate	3.65%

**Discount Rate** – The selected discount rate of 3.65% is based on the prescribed discount interest rate methodology under GASB 75 based on an average of three 20-year bond indices (S&P-20 Municipal Bond Index) as of June 30, 2023.

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



**UNATEGO CENTRAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2023**

**(g) Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

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

	<u>1% Decrease (2.65%)</u>	<u>Current Assumption (3.65%)</u>	<u>1% Increase (4.65%)</u>
Total OPEB liability	\$ 21,446,258	\$ 18,759,998	\$ 16,558,393

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend**

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 (4.1 declining to 3.1 percent) or 1 percentage point higher (6.1 declining to 5.1 percent) than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Current Assumption</u>	<u>1% Increase</u>
Total OPEB liability	\$ 15,947,024	\$ 18,759,998	\$ 22,323,500

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

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$1,529,260. At June 30, 2023, the District reported deferred inflows of resources and deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ (9,879,097)	\$
Changes of assumptions	(1,890,285)	1,378,886
Total	<u>\$ (11,769,382)</u>	<u>\$ 1,378,886</u>

**UNATEGO CENTRAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2023**

---

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

Year ended June 30:	Amount
2024	\$ (2,358,710)
2025	(2,293,262)
2026	(2,020,029)
2027	(2,143,175)
2028	(1,564,601)
Thereafter	(10,719)

**11. RISK MANAGEMENT**

***General Information***

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

***(a) Worker’s Compensation Insurance Plan***

The District participates in Worker’s Compensation Alliance, a risk-sharing pool, to insure workers’ compensation claims. This is a public entity risk pool created under Article 5 of the Workers’ Compensation Law, to finance liability and risks related to workers’ compensation claims. The District’s share of the liability for unbilled and open claims is unknown.

**12. CONTINGENCIES AND COMMITMENTS**

***Construction Commitments***

The School District had various open capital projects during the year ended June 30, 2023, with a total authorization of \$28,888,795.

***Grantors***

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

***Encumbrances***

Encumbrance accounting is employed as an extension of formal budgetary integration for the General Fund, special revenue funds, and capital projects funds. At June 30, 2023, certain amounts which were previously restricted, committed, or assigned for specific purposes have been encumbered in the governmental funds. The General Fund encumbrances are reflected as part of the assigned fund balance. The other encumbrances are not reflected on the fund financial statements because the assignment would result in a negative unassigned fund balance. At June 30, 2023, there were no significant encumbrances outstanding.

**UNATEGO CENTRAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2023**

**14. FUND BALANCE**

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

	Beginning	Increase	Decreases	Ending
<b>Restricted</b>				
General Fund				
Unemployment Insurance	\$ 107,000		\$ 8,300	98,700
Retirement Contribution Reserve- ERS	660,470		1,832	658,638
Retirement Contribution Reserve- TRS	359,200	135,000		494,200
Employee Benefit Accrued Liability	312,967	30,268		343,235
Workers Compensation Reserve	207,267			207,267
Liability Reserve	100,000		55,000	45,000
Capital Reserve	1,800,000	1,000,000		2,800,000
Repair Reserve	399,299	100,000		499,299
<b>Total General Fund Restricted</b>	<b>\$ 3,946,203</b>	<b>\$ 1,265,268</b>	<b>\$ 65,132</b>	<b>\$ 5,146,339</b>

(b) The following is the disaggregation of the fund balance that is reported in summary on the Governmental Fund's Balance Sheet at June 30, 2023:

	General	School Lunch	Miscellaneous Special Revenue	Debt Service	Capital	Total
<b>Nonspendable</b>	\$	\$ 21,839	\$	\$	\$	\$ 21,839
<b>Restricted</b>						
Unemployment Insurance	98,700					98,700
Retirement Contribution- ERS	658,638					658,638
Retirement Contribution- TRS	343,235					343,235
Employee Benefit Accrued Liability	494,200					494,200
Workers Compensation	207,267					207,267
Liability Reserve	45,000					45,000
Capital Reserve	2,800,000					2,800,000
Repair Reserve	499,299					499,299
Scholarships and Donations			93,029			93,029
Debt Service				34,925		34,925
<b>Total Restricted</b>	<b>5,146,339</b>		<b>93,029</b>	<b>34,925</b>		<b>5,274,293</b>
<b>Assigned</b>						
General Support	3,640					3,640
Instruction	7,956					7,956
Pupil Transportation	4,176					4,176
School Lunch		170,934				170,934
Appropriated for Subsequent Year's Budget	825,000					825,000
<b>Total Assigned</b>	<b>840,772</b>	<b>170,934</b>				<b>1,011,706</b>
<b>Unassigned</b>						
Unassigned	2,705,757				(1,215,301)	1,490,456
<b>Total Unassigned</b>	<b>2,705,757</b>				<b>(1,215,301)</b>	<b>1,490,456</b>
<b>Total Fund Balances</b>	<b>\$ 8,692,868</b>	<b>\$ 192,773</b>	<b>\$ 93,029</b>	<b>\$ 34,925</b>	<b>\$ (1,215,301)</b>	<b>\$ 7,798,294</b>

**UNATEGO CENTRAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2023**

**15. INTERFUND TRANSACTIONS – GOVERNMENTAL AND FIDUCIARY FUNDS**

Fund Type	Interfund		Interfund	
	Receivables	Payables	Revenues	Expenditures
General	\$ 740,164	\$ 344,544	\$	\$ 50,000
School Lunch		9,747	50,000	
Special Aid		730,154		
Debt Service	1,220	263		
Capital Fund	344,544	1,220		
Total	<u>\$ 1,085,928</u>	<u>\$ 1,085,928</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>

- The School District transferred a total of \$50,000 from the General Fund to the School Lunch Fund to subsidize operating expenses.
- Interfund receivables and payables are considered temporary. The School District intends to repay the amounts within the next fiscal year.

**16. DEFICIT NET POSITION**

At June 30, 2023, the District Wide Statement of Net Position had an unrestricted deficit of \$23,723,196. The deficit is primarily the result of the recognition 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 \$18,759,998 at June 30, 2023. Since New York State Laws provide no mechanism for funding the liability, the subsequent accruals are expected to increase the deficit in subsequent years.

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

	Original Budget	Final Budget	Actual		Final Budget Variance With Actual
<b>Revenues</b>					
Local Sources					
Real Property Taxes	\$ 7,530,745	\$ 6,269,364	\$ 6,474,596		\$ 205,232
Other Real Property Tax Items	26,900	1,288,281	1,083,384		(204,897)
Charges for Services	15,400	15,400	143,488		128,088
Use of Money and Property	1,500	1,500	261,930		260,430
Sale of Property and Compensation for Loss			49,482		49,482
Miscellaneous	297,000	297,000	235,420		(61,580)
State Aid	15,221,230	15,221,230	15,253,422		32,192
Federal Aid	35,000	35,000	87,801		52,801
Total Revenues	<u>23,127,775</u>	<u>23,127,775</u>	<u>23,589,523</u>		<u>461,748</u>
<b>Other Financing Sources</b>					
Appropriated Reserve	149,832	149,832			(149,832)
Appropriated Fund Balance	656,281	656,281			(656,281)
Total Revenues and Other Financing Sources	<u>\$ 23,933,888</u>	<u>\$ 23,933,888</u>	<u>\$ 23,589,523</u>		<u>\$ (344,365)</u>
<b>Expenditures</b>					
General Support					
Board of Education	\$ 13,242	\$ 16,161	\$ 11,204	\$	\$ 4,957
Central Administration	204,759	238,602	236,852		1,750
Finance	457,724	476,224	453,225		22,999
Staff	121,798	192,934	182,953		9,981
Central Services	2,147,759	2,378,457	2,240,361	3,640	134,456
Special Items	583,341	580,512	578,532		1,980
Total General Support	<u>3,528,623</u>	<u>3,882,890</u>	<u>3,703,127</u>	<u>3,640</u>	<u>176,123</u>
Instruction					
Instruction, Administration, and Improvement	536,058	556,239	546,534	1,120	8,585
Teaching - Regular School	4,856,810	4,447,209	3,404,457	2,468	1,040,284
Programs for Children With Special Needs	3,400,385	3,583,865	3,421,224	74	162,567
Occupational Education	620,580	620,580	616,302		4,278
Teaching - Special School	8,805	9,839	9,839		
Instructional Media	396,739	425,381	385,359	3,094	36,928
Pupil Services	889,249	925,307	833,525	1,200	90,582
Total Instruction	<u>10,708,626</u>	<u>10,568,420</u>	<u>9,217,240</u>	<u>7,956</u>	<u>1,343,224</u>
Pupil Transportation	1,491,698	1,517,397	1,378,004	4,176	135,217
Community Services	70,400	56,044	25,971		30,073
Employee Benefits	5,821,391	5,567,087	4,663,870		903,217
Debt Service - Principal	2,045,000	2,045,000	2,805,531		(760,531)
Debt Service - Interest	218,150	247,050	247,050		
Total Expenditures	<u>23,883,888</u>	<u>23,883,888</u>	<u>22,040,793</u>	<u>15,772</u>	<u>1,827,323</u>
<b>Other Financing Uses</b>					
Transfers to Other Funds	50,000	50,000	50,000		
Total Expenditures and Other Financing Uses	<u>\$ 23,933,888</u>	<u>\$ 23,933,888</u>	<u>22,090,793</u>	<u>\$ 15,772</u>	<u>\$ 1,827,323</u>
<b>Net Change in Fund Balance</b>			1,498,730		
<b>Fund Balance - Beginning of Year</b>			<u>7,194,138</u>		
<b>Fund Balance - End of Year</b>			<u>\$ 8,692,868</u>		

Notes to Required Supplementary Information:

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

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

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

	2023 *	2022 *	2021 *	2020 *	2019 *	2018 *
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
<b>Total OPEB Liability</b>						
Service cost	\$ 716,822	\$ 806,481	\$ 1,378,638	\$ 1,090,195	\$ 1,186,138	\$ 1,151,590
Interest on Total OPEB Liability	673,427	693,016	682,513	979,351	864,839	824,264
Effect of plan changes				172,419		
Effect of demographic gains or losses		(12,873,775)		(1,848,480)		(102,952)
Effect of assumption changes or inputs	(653,955)	(1,075,560)	258,532	2,789,268	(2,225,253)	
Benefit payments	(560,799)	(483,934)	(608,094)	(530,135)	(622,438)	(488,378)
Net change in total OPEB Liability	<u>175,495</u>	<u>(12,933,772)</u>	<u>1,711,589</u>	<u>2,652,618</u>	<u>(796,714)</u>	<u>1,384,524</u>
Total OPEB Liability - Beginning	<u>18,584,503</u>	<u>31,518,275</u>	<u>29,806,686</u>	<u>27,154,068</u>	<u>27,950,782</u>	<u>26,566,258</u>
Total OPEB Liability - Ending	<u>\$ 18,759,998</u>	<u>\$ 18,584,503</u>	<u>\$ 31,518,275</u>	<u>\$ 29,806,686</u>	<u>\$ 27,154,068</u>	<u>\$ 27,950,782</u>
Covered payroll	\$ 7,179,144	\$ 7,179,144	\$ 7,674,676	\$ 7,674,676	\$ 8,151,822	\$ 8,151,822
Total OPEB Liability as a percentage of covered payroll	261.31%	258.87%	410.68%	388.38%	333.10%	342.88%

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

**Notes to Required Supplementary Information:**

The District's net OPEB liability is not funded. Therefore, the liability is the net position of the plan. The District currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis.

**Actuarial Assumptions**

The actuarial methods and assumptions used to calculate the total OPEB liability are described in Note 9 to the financial statements.

**Changes to Assumptions -**

Discount rate increased from 3.54% to 3.65%.

**UNATEGO CENTRAL SCHOOL DISTRICT  
SCHEDULES OF DISTRICT CONTRIBUTIONS  
For the Year Ended June 30, 2023**

		<b>ERS Pension Plan Last 9 Fiscal Years</b>								
		<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>
Contractually Required Contribution	\$	295,807	261,055	245,044	230,878	231,939	231,163	320,829	275,139	339,616
Contributions in Relation to the Contractually Required Contribution		<u>295.807</u>	<u>261.055</u>	<u>245.044</u>	<u>230.878</u>	<u>231.939</u>	<u>231.163</u>	<u>320.829</u>	<u>275.139</u>	<u>339.616</u>
Contribution Deficiency (Excess)	\$	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
School District's Covered-ERS Employee Payroll	\$	2,429,258	2,156,716	1,739,540	1,621,489	1,624,965	1,640,160	1,696,808	1,785,080	1,718,835
Contributions as a Percentage of Covered-Employee Payroll		12.18%	12.10%	14.09%	14.24%	14.27%	14.09%	18.91%	15.41%	19.76%

		<b>TRS Pension Plan Last 9 Fiscal Years</b>								
		<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>
Contractually Required Contribution	\$	677,841	636,900	595,533	548,962	634,228	597,153	738,259	846,515	1,072,522
Contributions in Relation to the Contractually Required Contribution		<u>677.841</u>	<u>636.900</u>	<u>595.533</u>	<u>548.962</u>	<u>634.228</u>	<u>597.153</u>	<u>738.259</u>	<u>846.515</u>	<u>1,072.522</u>
Contribution Deficiency (Excess)	\$	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
School District's Covered-TRS Employee Payroll	\$	6,587,376	6,498,980	6,249,035	6,195,959	5,972,015	6,093,398	6,299,138	6,383,971	6,118,209
Contributions as a Percentage of Covered-Employee Payroll		10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%

Information is presented only for the years available.

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

**ERS Pension Plan**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net pension liability	0.0073099%	0.0061410%	0.0059144%	0.0052400%	0.0055239%	0.0061180%	0.0064010%	0.0063579%
District's proportionate share of the net pension asset (liability)	\$ (1,567,529)	\$ 501,999	\$ (5,889)	\$ (1,387,587)	\$ (391,386)	\$ (197,455)	\$ (601,455)	\$ (1,020,464)
District's covered-employee payroll	\$ 2,429,258	\$ 2,156,716	\$ 1,739,540	\$ 1,621,489	\$ 1,624,965	\$ 1,640,160	\$ 1,696,808	\$ 1,785,080
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	-64.5%	23.3%	0.3%	85.6%	24.1%	12.0%	35.4%	57.2%
Plan fiduciary net position as a percentage of total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.20%	94.70%	90.70%

**TRS Pension Plan**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the net pension asset/liability	0.036426%	0.036817%	0.038076%	0.035779%	0.037408%	0.039750%	0.041431%	0.041062%
District's proportionate share of the net pension asset (liability)	\$ (698,979)	\$ 6,380,023	\$ (1,052,136)	\$ 929,528	\$ 676,441	\$ 302,143	\$ (443,746)	\$ 4,265,046
District's covered-employee payroll	\$ 6,498,980	\$ 6,249,035	\$ 6,195,959	\$ 5,972,015	\$ 6,093,398	\$ 6,299,138	\$ 6,383,971	\$ 6,118,209
District's proportionate share of the net pension asset/liability as a percentage of its covered-employee payroll	-10.76%	102.10%	-16.98%	15.56%	11.10%	4.80%	6.95%	69.71%
Plan fiduciary net position as a percentage of total pension asset/liability	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.50%

Information is presented only for the years available.



UNATEGO CENTRAL SCHOOL DISTRICT  
 SCHEDULES OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET  
 AND REAL PROPERTY TAX LIMIT - GENERAL FUND  
 For the Year Ended June 30, 2023

---

**Change from Adopted Budget to Revised Budget**

Adopted Budget	\$ 23,802,607
Add: Prior Year's Encumbrances	<u>131,281</u>
Original Budget	<u>23,933,888</u>
Final Budget	<u>\$ 23,933,888</u>

**Section 1318 of Real Property Tax Law Limit Calculation**

2023-24 Voter-Approved Expenditure Budget	\$ 24,071,169
<b>Maximum Allowed (4% of 2023-2024 budget)</b>	<u>\$ 962,847</u>
General Fund - Fund Balance Subject to Section 1318 of Real Property Tax Law :	
Unrestricted Fund Balance:	
Assigned Fund Balance	\$ 840,772
Unassigned Fund Balance	<u>2,705,757</u>
Total Unrestricted Fund Balance	<u>3,546,529</u>
Less:	
Appropriated Fund Balance	825,000
Encumbrances Included in Committed and Assigned Fund Balance	<u>15,772</u>
Total adjustments	<u>840,772</u> <u>840,772</u>
<b>General Fund's Fund Balance Subject to Section 1318 of Real Property Tax Law</b>	<u>\$ 2,705,757</u>
<b>Actual Percentage</b>	<b>11.2%</b>

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

PROJECT TITLE	Original Authorization	Revised Authorization	Expenditures			Unexpended Balance	Methods of Financing				Fund Balance June 30, 2023
			Prior Years	Current Year	Total		Proceeds of Obligations	Federal and State Aid	Local Sources	Total	
2018-19 Small Project	\$ 100,000	\$ 100,000	\$ 98,648	\$	\$ 98,648	\$ 1,352			\$ 100,000	\$ 100,000	\$ 1,352
Smart Schools Bonds	942,233	1,093,795	1,093,795		1,093,795				942,333	942,333	(151,462)
MS/HS Renovations	<u>27,695,000</u>	<u>27,695,000</u>	<u>917,286</u>	<u>505,572</u>	<u>1,422,858</u>	<u>26,272,142</u>			<u>357,667</u>	<u>357,667</u>	<u>(1,065,191)</u>
<b>Totals</b>	<b>\$ 28,737,233</b>	<b>\$ 28,888,795</b>	<b>\$ 2,109,729</b>	<b>\$ 505,572</b>	<b>\$ 2,615,301</b>	<b>\$ 26,273,494</b>	<b>\$</b>	<b>\$</b>	<b>\$ 1,400,000</b>	<b>\$ 1,400,000</b>	<b>\$ (1,215,301)</b>

**UNATEGO CENTRAL SCHOOL DISTRICT  
NET INVESTMENT IN CAPITAL ASSETS  
For the Year Ended June 30, 2023**

---

Capital Assets, Net	\$ 23,951,503
Right to Use Assets, Net	<u>1,191,373</u>
	<u>25,142,876</u>
Add:	
Unamortized Bond Issuance Costs	116,322
Capital Fund Unspent Bond Proceeds	<u>471,463</u>
	<u>587,785</u>
Deduct:	
Bond Anticipation Notes	1,500,000
Premium on Bonds Payable	190,724
Serial Bonds Payable	2,430,000
Lease Liability	<u>1,249,200</u>
	<u>5,369,924</u>
Net Investment in Capital Assets	<u>\$ 20,360,737</u>

See Independent Auditor's Report

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

Board of Education  
Unatego Central School District

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 Unatego Central School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Unatego Central School District's basic financial statements, and have issued our report thereon dated October 16, 2023.

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

D'Arcangelo + Co., LLP

October 16, 2023  
Rome, New York

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

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

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

Board of Education  
Unatego Central School District, New York

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

***Opinion on Each Major Federal Program***

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

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

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

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

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

***Responsibilities of Management for Compliance***

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

***Auditor's Responsibilities for the Audit of Compliance***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

### **Report on Internal Control Over Compliance**

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

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

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

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

*D'Arcangelo + Co., LLP*

October 16, 2023

Rome, New York

**UNATEGO CENTRAL SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2023**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Number	Current Year Expenditures	Expenditures to Subrecipients
<b>U.S. Department of Agriculture</b>				
(Passed Through the State Education Department of the State of New York)				
Nutrition Cluster				
National School Lunch Program (Noncash)	10,555	N/A	\$ 30,037	\$
School Breakfast Program	10,553	N/A	104,127	
Snack Program	10,555	N/A	12,119	
National School Lunch Program	10,555	N/A	361,820	
Summer Food Service Program	10,559	N/A	20,287	
Total Cash Assistance Subtotal			<u>498,353</u>	
Total Child Nutrition Cluster			<u>528,390</u>	
Total U.S. Department of Agriculture			<u>528,390</u>	
<b>U.S. Department of Education</b>				
(Passed Through the State Education Department of the State of New York)				
Education Stabilization Fund				
Governor's Emergency Education Relief (GEER)	84.425C	5896-21-2415	\$ 50	\$
Elementary and Secondary School Emergency Relief (ESSER)	84.425D	5891-21-2415	271,597	
American Rescue Plan-Elementary and Secondary School Emergency Relief (ARP ESSR)	84.425U	5870-22-9224	187,200	
American Rescue Plan-Elementary and Secondary School Emergency Relief (ARP ESSR)	84.425U	5880-21-2415	680,262	
American Rescue Plan-Elementary and Secondary School Emergency Relief (ARP ESSR)	84.425U	5882-21-2415	51,854	
American Rescue Plan-Elementary and Secondary School Emergency Relief (ARP ESSR)	84.425U	5883-21-2415	58,972	
American Rescue Plan-Elementary and Secondary School Emergency Relief (ARP ESSR)	84.425U	5884-21-2415	266,023	
American Rescue Plan-Elementary and Secondary School Emergency Relief (ARP ESSR)	84.425U	5218-21-2415	3,724	
Total Education Stabilization Cluster			<u>1,519,682</u>	
Title I Grants to Local Educational Agencies				
Title I Grants to Local Educational Agencies	84.010	0021-23-2415	<u>267,702</u>	
Special Education Cluster				
Special Education - Grants to States (IDEA, Part B)	84.027	0032-23-0731	278,485	
COVID-19- Special Education - Grants to States (IDEA, Part B)	84.027X	5532-22-0731	664	
Special Education - Preschool Grants (IDEA Preschool)	84.173	0033-21-0731	6,758	
COVID-19- Special Education - Preschool	84.173X	5533-22-0731	4,575	
Total Special Education Cluster			<u>290,482</u>	
Title IV, Student Support and Academic Enrichment Program	84.424	0204-23-2415	18,433	
Title IV, Student Support and Academic Enrichment Program	84.424	0204-22-2415	921	
			<u>19,354</u>	
Improving Teacher Quality State Grants (Title IIA)	84.367	0147-23-2415	<u>33,626</u>	
Total U.S. Department of Education			<u>2,130,846</u>	
<b>Total Federal Financial Assistance</b>			<u>\$ 2,659,236</u>	\$

**UNATEGO CENTRAL SCHOOL DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2023**

---

**1. SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

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

***Basis of Accounting***

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

***Cluster Programs***

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

**U.S. Department of Education**

**Special Education Cluster**

ALN 84.027	Special Education - Grants to States (IDEA, Part B)
ALN 84.173	Special Education - Preschool Grants (IDEA Preschool)
ALN 84.027X	COVID-19 Special Education Grants to States
ALN 84.173X	COVID-19 Special Education Preschool

**U.S. Department of Agriculture**

**Child Nutrition Cluster**

ALN 10.553	National School Breakfast Program
ALN 10.555	National School Lunch Program
ALN 10.555	Non-cash Assistance (Food Distribution)
ALN 10.559	Summer Food Service Program for Children

***De Minimis Indirect Cost Rate***

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

***Food Donation***

Nonmonetary assistance is reported in the schedule at fair market value of the food commodities received. At June 30, 2023, the School District has food commodities in inventory of \$6,070.



**UNATEGO CENTRAL SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL COMPLIANCE REQUIREMENTS**  
**For the Year Ended June 30, 2023**

**Summary of Auditor's Results**

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

**Findings – Financial Statement Audit**

None noted in the current year.

**Findings and Questioned Costs – Major Federal Award Programs Audit**

None noted in the current year.

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

---

None noted.

# D'Arcangelo & Co., LLP

Certified Public Accountants & Consultants

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

## Extraclassroom Activity Fund

### Required Communication with Board of Education

To the Board of Education  
Unatego Central School District

We have audited the financial statements of the Extraclassroom Activity Funds of the Unatego Central School District (the Funds) for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 5, 2023. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Matters

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Extraclassroom Activity Funds of the Unatego Central School District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2023. We noted no transactions entered into by the Funds during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

The financial statement disclosures are neutral, consistent, and clear.

##### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

##### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no misstatements noted during the audit.

##### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

##### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated October 16, 2023.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Funds' financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Funds' auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to report on the supplemental schedules of cash receipts and disbursements – cash basis, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Board of Education and Administration of Unatego Central School District and the New York State Education Department and is not intended to be, and should not be, used by anyone other than these specified parties.

*D'Arcangelo + Co., LLP*

October 16, 2023

Rome, New York

# D'Arcangelo & Co., LLP

Certified Public Accountants & Consultants

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

## Required Communication with Board of Education

To the Board of Education  
Unatego CSD

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Unatego Central School District for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 5, 2023. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practice*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Unatego Central School District are described in Note 1 to the financial statements. There were no changes in accounting policies in 2023. We noted no transactions entered into by Unatego CSD during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

1. The District, in accordance with GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, requires significant actuarial estimates to calculate the District's postemployment benefits liability.
2. The District's estimate of its compensated absences liability.
3. Estimates involving depreciable lives of the District's capital assets and the related depreciation.
4. The District, in accordance with GASB No. 68, *Accounting and Financial Reporting for Pensions* (as amended by GASB Statement 71), requires significant actuarial estimates to calculate the net pension assets and liabilities, deferred inflows and outflows of resources – pensions, and pension expense.

We evaluated the key factors and assumptions used to develop the estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated October 16, 2023.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the School District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – General Fund, the Schedules of Changes in the District's Total OPEB Liability and Related Ratios, the Schedules of District Contributions, and the Schedules of the District's Proportionate Share of the Net Pension Liability/Asset, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Schedules of Change from Original Budget to Revised Budget and Section 1318 of Real Property Tax Law Limit Calculation, Schedule of Project Expenditures – Capital Projects Fund, Net Investment in Capital Assets, and the Schedule of Expenditures of Federal Awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Education and management of the Clinton Central School District and is not intended to be, and should not be, used by anyone other than these specified parties.

Findings and Recommendations

In addition, we have enclosed a memorandum summarizing matters involving the internal control structure and its operations that we feel can be improved and strengthened. These matters are not considered to be significant deficiencies or material weaknesses.

*D'Arcangelo + Co., LLP*

October 16, 2023  
Rome, New York

**UNATEGO CENTRAL SCHOOL DISTRICT  
AUDIT FINDINGS AND RECOMMENDATIONS  
For the Year Ended June 30, 2022**

---

**A. Unassigned Fund Balance**

As of June 30, 2023, the General Fund of the School District has an unassigned fund balance of \$2,705,757 which represents 11.2% of the subsequent year's budget. New York State's Real Property Tax Law limits the amount of undesignated fund balance to 4% of the subsequent year's budget.

We recommend that Management should implement a plan to reduce the amount to within the 4% limit.

**UNATEGO CENTRAL SCHOOL DISTRICT  
PRIOR YEAR AUDIT FINDINGS AND RECOMMENDATIONS  
June 30, 2023**

---

**A. Unassigned Fund Balance**

As of June 30, 2022, the General Fund of the School District has an unassigned fund balance of \$2,591,654 which represents 10.9% of the subsequent year's budget. New York State's Real Property Tax Law limits the amount of undesignated fund balance to 4% of the subsequent year's budget.

**Status:** Same in current year