

**BELLEVILLE HENDERSON
CENTRAL SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
JUNE 30, 2023**

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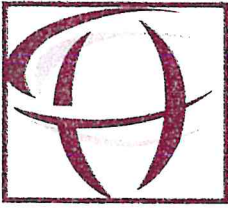
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Crowley & Halloran, CPAs, P.C.
Certified Public Accountants, Auditors, and Consultants
215 Washington Street, Suite 100, Watertown, NY 13601
Phone: (315) 788-3140 Fax: (315) 782-5321
www.crowleyhalloran.com

Michael W. Crowley, CPA*
Pamela J. Halloran, CPA*

Members of:
AICPA
NYSSCPA

* Licensed in NY & PA

Government Audit Quality Center
Employee Benefit Plan Audit Quality Center

Independent Auditors' Report

To the Board of Education
Belleville Henderson Central School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Belleville Henderson 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 Belleville Henderson 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 Belleville Henderson Central School District, as of June 30, 2023, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Belleville Henderson 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 Belleville Henderson 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.



Independent Auditors' Report (continued)

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 Belleville Henderson 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 Belleville Henderson 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, the budgetary comparison information, the schedule of changes in the District's total OPEB liability and related ratios, the schedule of the local government's proportionate share of the net pension liability, and the schedule of the local government's share of contributions 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.



Crowley & Halloran, CPAs, P.C.
Certified Public Accountants, Auditors, and Consultants

Independent Auditors' Report (continued)

Required Supplementary Information (continued)

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Belleville Henderson Central School District's basic financial statements. Other supplementary information listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America and/or New York State Education Department. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic 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 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 supplementary information and the schedule of expenditures of federal awards are 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 26, 2023, on our consideration of the Belleville Henderson 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 Belleville Henderson 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 Belleville Henderson Central School District's internal control over financial reporting and compliance.

Crowley & Halloran, CPAs, P.C.

October 26, 2023
Watertown, New York

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

The following is a discussion and analysis of the Belleville Henderson Central School District's financial performance for the fiscal year ended June 30, 2023. This section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed, as well as a comparative analysis to prior year information. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section. Responsibility for the completeness and fairness of the information contained rests with the School District.

Financial Highlights

The District's purpose is to educate all students to high levels of academic performance while fostering positive growth in social/emotional behaviors and attitudes. The Board of Education is the governing body elected by the residents of the District. Its mission is to maintain certain standards of excellence set by the New York State Board of Regents.

For the year ending June 30, 2023, total general fund revenues of \$11,062,716 was \$327,659 greater than the previous year of \$10,774,557.

The District's portion of Assigned General Fund Balance designated to reduce real estate taxes in 2023-24 is \$600,477 or 32.8% of the General Fund Balances. The General Fund Unassigned Fund Balance is \$398,906 or 3.2% of the 2023-24 budget.

The District employs about 130 full and part time employees. The district has two unions (Belleville Henderson Teachers Association and School Support Staff Association). The School Support Staff Association collective bargaining agreement will expire on June 30, 2023. The Belleville Henderson Teachers Association agreement will expire on June 30, 2025.

The District has maintained standards set by the New York State Education Department for the testing of their students to achieve mastery in certain core subjects at or above the levels set by the State Education Department for the year ending June 30, 2023.

Overview of Financial Statements

This annual report consists of three parts: MD&A (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the School District.

- The first two statements are *District-wide* financial statements that provide both *short-term* and *long-term* information about the School District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the School District, reporting the School District's operations in *more detail* than the District-wide statements.
- The *governmental funds statements* tell how basic services, such as regular and special education, were financed in the *short-term*, as well as what remains for future spending.

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

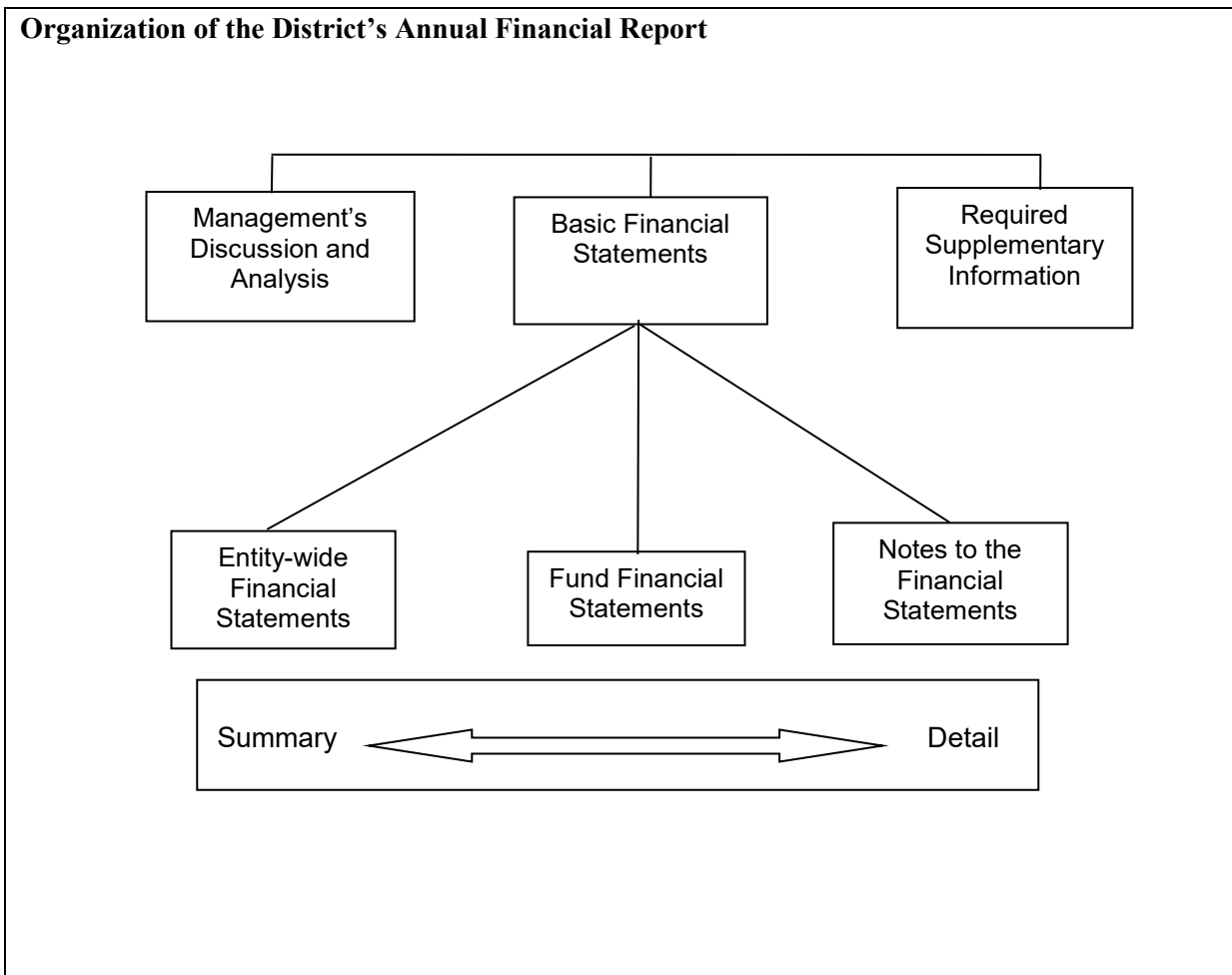
- *Fiduciary funds* statements provide information about the financial relationships in which the School District acts solely as a *trustee* or *agent* for the benefit of others.

The financial statements also include notes that provide additional information about the financial statements and the balances reported. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget and actual for the year.

Reclassifications

Certain accounts in prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

The chart below shows how the various parts of this annual report are arranged and related to one another.



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

The chart on the following page summarizes the major features of the School District's financial statements, including the portion of the School District's activities that they cover and the types of information that they contain. The remainder of this overview section of MD&A highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements

District-Wide		Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not fiduciary, such as instruction, special education and building maintenance.	Instances in which the School District administers resources on behalf of someone else, such as student activities monies.
Required Financial Statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term debt	Generally, assets expected to be used up and liabilities that come due during the year or soon after; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	Additions and deductions during the year, regardless of when cash is received or paid

District-Wide Statements

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

The two District-wide statements report the School District's *net position* and how it has changed. Net position – the difference between the School District's assets and liabilities – is one way to measure the School District's financial health or *position*.

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

- Over time, increases or decreases in the School District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the School District's overall health, additional non-financial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities should be considered.

In the District-wide financial statements, the School District's activities are shown as *governmental activities*: most of the School District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state and federal aid finance most of these activities.

Fund Financial Statements

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

- Some funds are required by State law and bond covenants.
- The School District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Federal grants).

The District has two kinds of funds:

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

Financial Analysis of the School District as a Whole

Net position may serve over time as a useful indicator of a government's financial position. In the District's case, liabilities and deferred inflows exceeded assets and deferred outflows by \$19,709,704 at the close of the fiscal year. This represents a \$93,761 decrease in net position for the year. The largest portion of the School District's net assets reflects its investment in capital assets, less any related outstanding debt used to acquire those assets.

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

The schedule below summarizes the School District's net position. The complete Statement of Net Position can be found in the School District's basic financial statements on page 19.

Condensed Statement of Net Position

	Governmental Activities and Total School District			
	2023	2022	\$ Change	% Change
Current and Other Assets	\$ 3,288,554	\$ 2,966,799	\$ 321,755	10.8%
Capital & Pension Asset	18,133,833	22,003,701	(3,869,868)	(17.6%)
Total Assets	21,422,387	24,970,500	(3,548,113)	(14.2%)
Deferred Outflows of Resources	6,429,468	7,254,425	(824,957)	(11.4%)
Long-Term Liabilities	36,262,728	45,159,840	(8,897,112)	(19.7%)
Other Liabilities	1,254,650	1,161,191	93,459	8.0%
Total Liabilities	37,517,378	46,321,031	(8,803,633)	(19.0%)
Deferred Inflows of Resources	10,044,181	5,519,837	4,524,344	82.0%
Net Position				
Net Investment in Capital Assets	12,701,231	12,278,405	422,826	3.4%
Restricted	665,848	1,227,469	(561,621)	(45.8%)
Unrestricted	(33,076,783)	(33,121,817)	45,034	(0.0%)
Total Net Position (Deficit)	\$ (19,709,704)	\$ (19,615,943)	\$ (93,761)	(0.5%)

In general, current assets are those assets that are available to satisfy current obligations, and current liabilities are those liabilities that will be paid within one year. Current assets consist primarily of cash equivalents of \$2,165,790, \$768,280 due from state and federal, due from other governments' of \$316,494, receivables are \$20,813 and inventory of \$17,177. Capital assets are \$18,133,833, the prior year had pension assets of \$3,341,523 in the current year the District's proportionate share is a liability. The District has restricted cash in the amount of \$672,900 included in cash equivalents above.

The deferred outflow of resources consists of the deferred outflows on pension of \$2,479,136, and \$3,950,332 for other postemployment Benefits (OPEB).

Current liabilities consist of accounts payable totaling \$304,280, accrued expenses of \$64,922, and due to ERS and TRS retirement systems totaling \$415,580, and other liabilities of \$469,673, which consist primarily of accrued interest and unamortized premiums from the issuance of debt. Long-term liabilities consist of compensated absences payable totaling \$236,657, leases and debt payable \$4,972,159, pension liabilities of \$1,157,755 and other postemployment benefits liability of \$29,896,157.

The deferred inflows of resources consists of the deferred outflows on pension of \$279,861 and other postemployment benefits of \$9,764,320.

The Statement of Activities and Changes in Net Position show the cost of program services net of charges for services and grants offsetting those services. General revenues including tax revenue, investment earnings and unrestricted state and federal aid must support the net cost of the District's programs.

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

The following schedule summarizes the District's activities. The complete Statement of Activities can be found in the District's basic financial statements on page 20.

Condensed Net Position from Operating Results

	Governmental Activities and Total School District			
	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Revenues				
Program Revenues				
Charges for Services	\$ 83,974	\$ 42,098	\$ 41,876	99.5%
Operating Grants and Contributions	1,463,886	1,643,391	(179,505)	(10.9%)
General Revenues				
Property Taxes and Other Tax Items	5,088,076	4,961,033	127,043	2.6%
State Formula Aid	5,751,936	5,566,993	184,943	3.3%
Federal Aid	67,074	114,547	(47,473)	(41.4%)
Interest Earnings	4,639	380	4,259	1120.8%
Miscellaneous	<u>159,794</u>	<u>134,246</u>	<u>25,548</u>	<u>19.0%</u>
Total Revenues and Special Items	<u>12,619,379</u>	<u>12,462,688</u>	<u>156,691</u>	<u>1.3%</u>
Expenses				
General Support	2,798,093	2,622,409	175,684	6.7%
Instruction	8,505,404	8,881,467	(376,063)	(4.2%)
Transportation	1,056,509	1,035,846	20,663	2.0%
Debt Service Costs	101,592	98,231	3,361	3.4%
Food Service	<u>251,541</u>	<u>218,271</u>	<u>33,270</u>	<u>15.2%</u>
Total Expenses	<u>12,713,139</u>	<u>12,856,224</u>	<u>(143,085)</u>	<u>(1.1%)</u>
Increase (Decrease) in Net Position (Deficit)	<u>\$ (93,760)</u>	<u>\$ (393,536)</u>	<u>\$ 299,776</u>	<u>76.2%</u>

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

Governmental Activities

The following analysis compares the total cost of services provided by the District in relation to the net cost of providing the service after considering program service revenues generated and program operating grants.

Net Cost of Governmental Activities

	Total Cost of Services			Net Cost of Services		
	2023	2022	% Change	2023	2022	% Change
General Support	\$ 2,798,093	\$ 2,622,409	6.7%	\$ 2,798,093	\$ 2,622,409	6.7%
Instruction	8,505,404	8,881,467	(4.2%)	7,304,725	7,584,178	(3.7%)
Pupil Transportation	1,056,509	1,035,846	2.0%	1,056,509	1,035,846	2.0%
Debt Service Costs	101,592	98,231	3.4%	101,592	98,231	3.4%
Food Service	<u>251,541</u>	<u>218,271</u>	15.2%	<u>(95,640)</u>	<u>(169,929)</u>	(43.7%)
Total	<u>\$ 12,713,139</u>	<u>\$12,856,224</u>	(1.1%)	<u>\$ 11,165,279</u>	<u>\$11,170,735</u>	0.0%

The District strives to control and reduce cost for our taxpayers, while maintaining program and staffing appropriate for current enrollment.

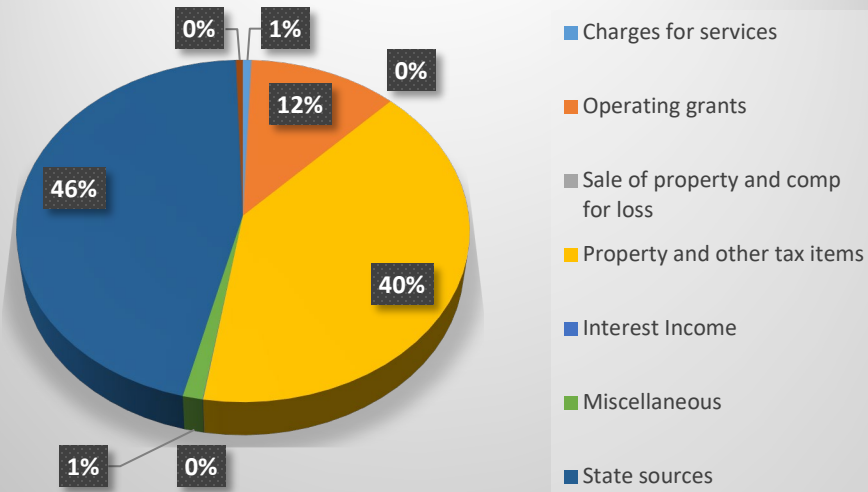
The District is heavily dependent on both property tax revenue and state and federal aid for its funding. State and federal sources and operating grants combined account for 57.7% of total revenues. Property tax revenue accounted for 40.3% of total revenues received for the year. These two areas make up for 98.0% of total revenues received in the 2022-23 school year.

Instruction accounts for 66.9%, general support accounts for 22.0%, and pupil transportation is 8.3% of the total expenses of the District. Debt service costs are 0.8% and the school lunch program is 2.0%. School lunch increased \$33,270 from the prior year and pupil transportation increased \$20,663. Debt service costs, which include interest expense increased \$3,361. Instruction decreased \$376,063. General support increased \$175,684. Total District expenses decreased \$143,085 less than 1.1% from the prior year.

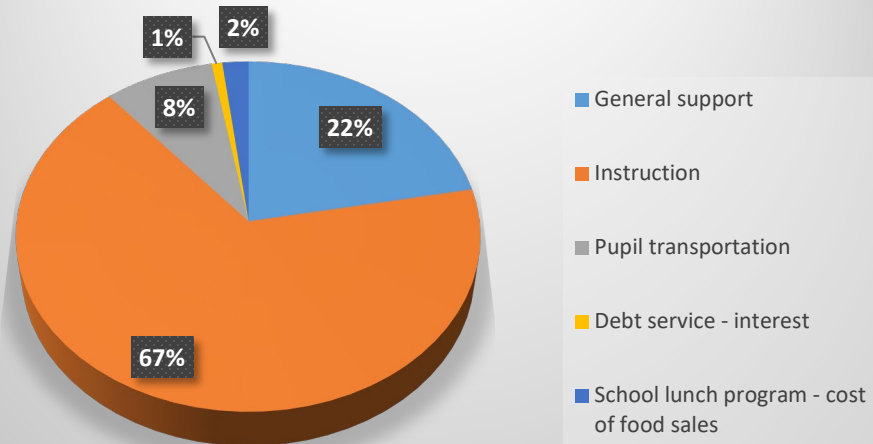
The financial statements also include the activity of the Special Aid and School Lunch Funds, which are primarily funded by state and federal aid and food sales.

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

2022-23 Revenues



2022-23 Expenses



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

General Fund Budgetary Highlights

The District's budget of \$11,668,784 for 2022-23 was approved by voters. The District's total budget increase for 2022-23 was \$294,042 or a 2.6% increase from the prior year budget.

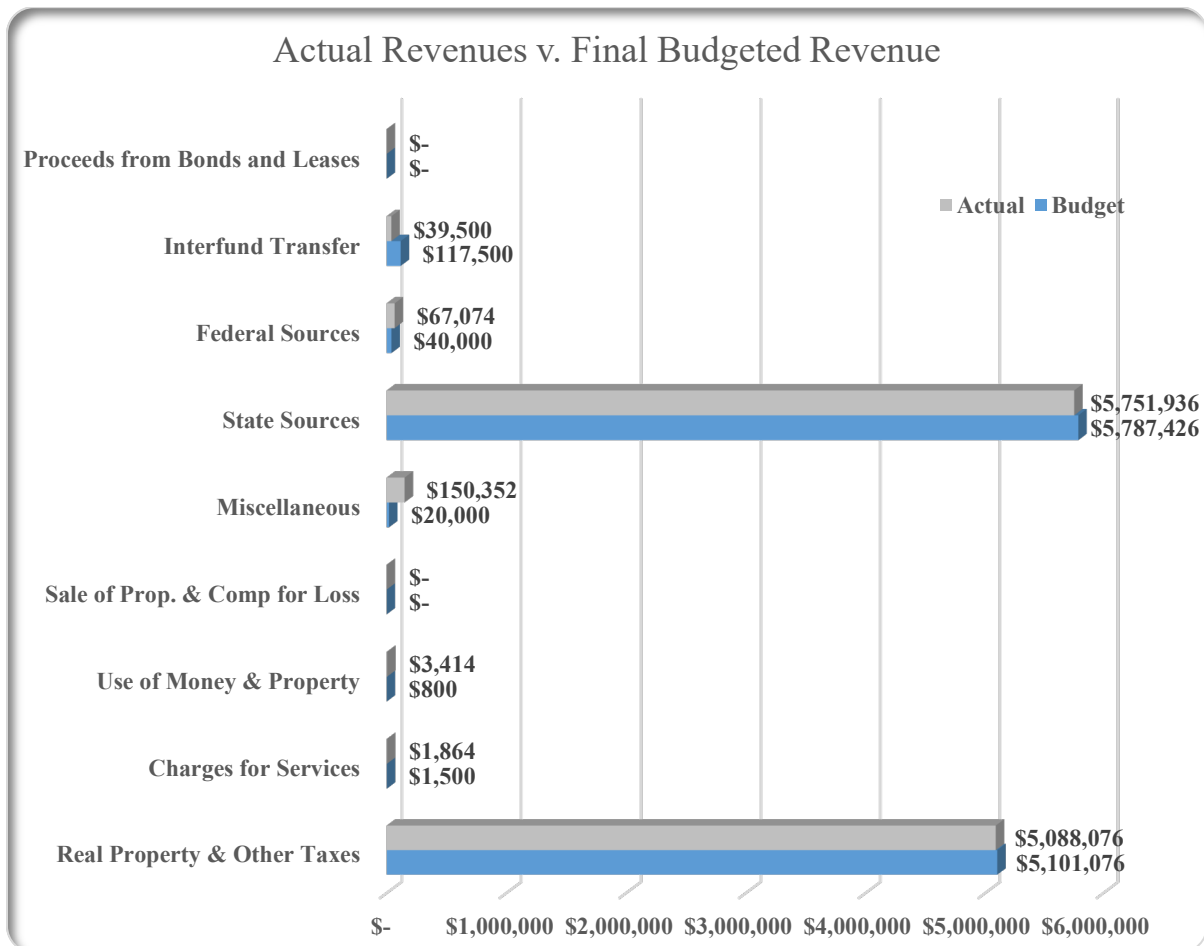
The District appropriated \$600,482 of the fund balance; this was used to cover projected budgetary appropriations. Unspent appropriations provide cash flow at year-end when state aid is uncertain. Without this balance, the District would have to borrow funds at year-end to meet its obligations.

Revenues

Revenues from Local, State, and Federal Sources amounted to \$111,914 more than final budget figures. The District received \$150,352 in miscellaneous revenues consisting mainly of refunds of prior year BOCES, and other prior year expenditures.

Actual general fund revenues, including transfers from other funds and proceeds from debt issuance, were below budgeted amounts by \$912,425 for the school year ending June 30, 2023.

The following graph depicts actual revenues in comparison with final budgeted revenues. Refer to supplemental schedule in the financial statements for more detailed information.



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

Expenditures

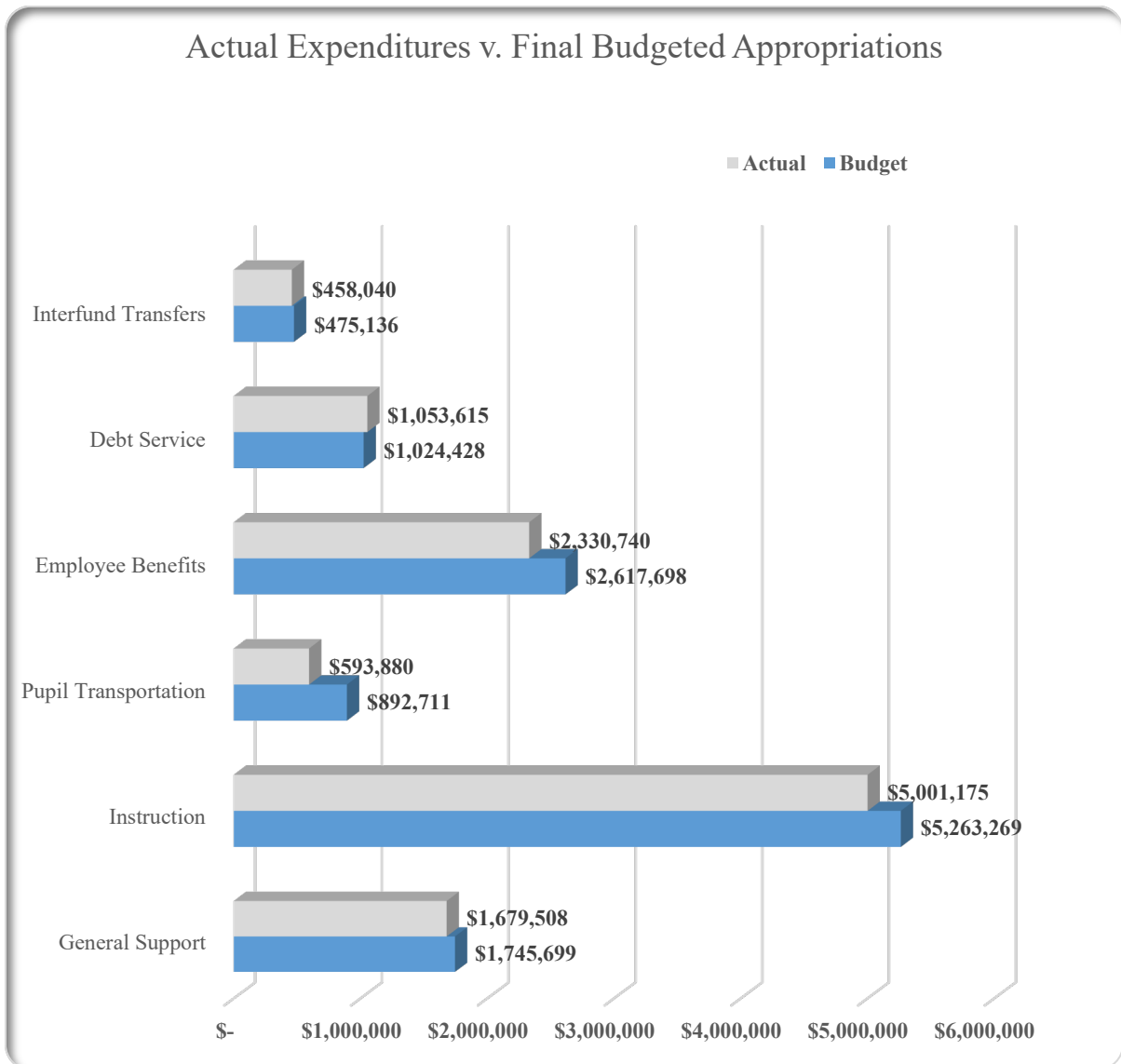
The District estimated budget appropriations varied from actual expenditures for the following reasons. Total General Support was overall \$65,227 under budget due to tighter control exercised over material, supply and contractual expenditures, other administrative costs were less than budgeted and some charges were reallocated. Total Instruction was \$258,663 under budget due to reduction in salary costs (new staff hired at a rate lower than anticipated), allocation of costs to grants, lower BOCES costs and lower material supply expenses due to tighter control over expenditures.

Pupil transportation was \$13,209 under budget as cost of fuel did not increase as much as budgeted, garage utilities did not increase as much as anticipated and bus repairs were an uncertainty when the budget was constructed. Tighter control was exercised over materials and supply expenditures. Employee benefits were \$286,957 under budget due to, fewer new staff taking health insurance and lower pension contribution rates.

The underestimated General Fund actual revenues of \$111,914 and underspent budgeted appropriations of \$950,638 are used to fund appropriations for the subsequent year. The District had appropriated \$600,482 for the 2022-23 school year which was 5.15% of the budget. These appropriations are currently part of the Assigned Fund Balance of which the District anticipates using \$600,477 of its fund balance or 4.85% for the 2023-24 school year to offset reductions in State Aid and increased expenses. This portion of the Assigned Fund Balance needs to be maintained to help the District with cash flow at the end of the school year. The only way Assigned Fund Balance can be lowered without raising the tax levy (which is now subject to restrictions on the maximum allowable tax levy) in the subsequent year is to increase other revenues such as State Aid or reduce appropriations.

The following graph depicts actual expenditures in comparison with the final budgeted appropriations. Refer to the supplemental schedules in the financial statements for more detailed information.

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



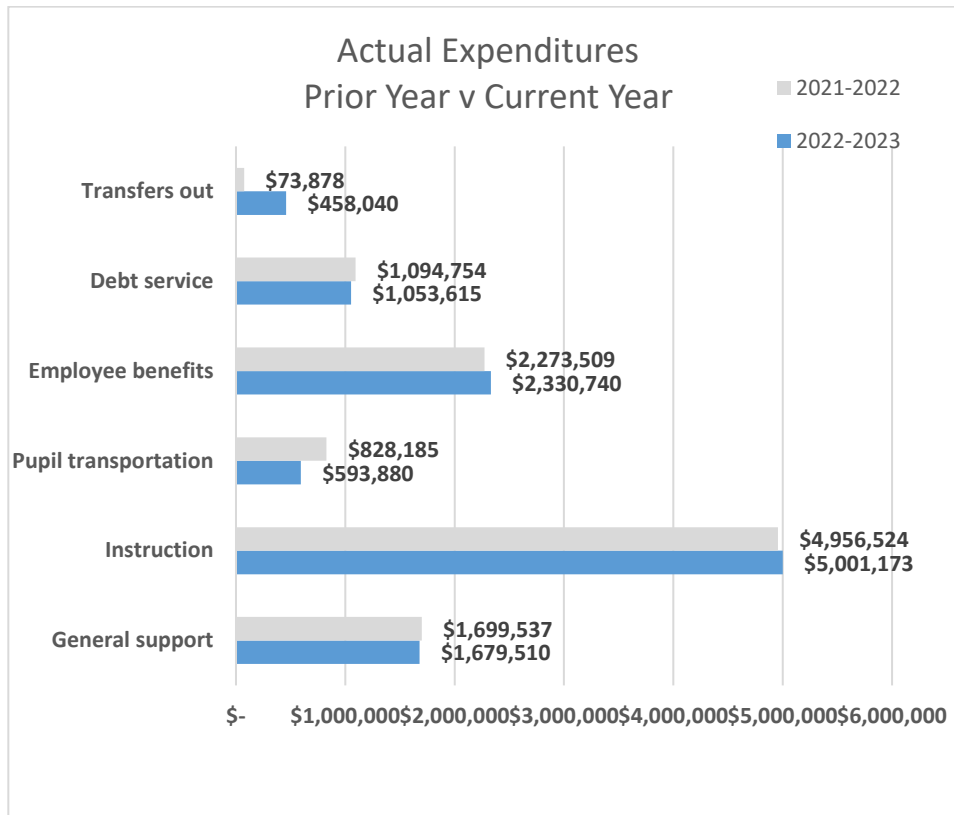
**BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Analysis of the School District's Funds

General Fund

The General Fund is used to operate the District's daily educational and transportation programs and maintain the buildings and grounds of the facility for continued use. This is the only fund that relies on real property taxes for a portion of funding. Actual property taxes paid (less STAR Reimbursement) amounts to 43.2% of total General Fund.

The following graph depicts the actual general expenditures in the current year compared to the prior year.



Special Aid Fund

The District receives State and Federal grants, which fund specific academic activities. These grants are written for specific purposes and include reading improvement, staff development, technology improvements and needs related to students with disabilities.

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

Debt Service Fund

This fund is used to accumulate interest on capital fund proceeds earned during building projects. These funds have to be used to reduce the debt in the general fund in subsequent years. These funds will be transferred into the general fund in the future when needed.

School Lunch Fund

The School Lunch Program is under this category and is funded through State and Federal aid along with sale of lunch and breakfast items. The School Lunch Program showed a \$22,804 deficit for the year ending June 30, 2023.

Capital Assets and Debt Administration

At the end of the fiscal year 2023, the School District had \$18,133,833 invested in land, buildings, furniture and equipment, right to use lease assets and vehicles. The following table compares fiscal 2023 balances to 2022.

Capital Assets

	Governmental Activities and Total School District			
	2023	2022	\$ Change	% Change
Land	\$ 138,065	\$ 138,065	\$ -	0.0%
Construction in Progress	134,186	-	134,186	100.0%
Buildings (net of depreciation)	17,007,390	17,480,120	(472,730)	(2.7%)
Right-to-use lease assets	43,902	71,590	(27,688)	(38.7%)
Vehicles, Equipment and Furniture (net of depreciation)	<u>810,290</u>	<u>972,403</u>	<u>(162,113)</u>	(16.7%)
Total	<u>\$ 18,133,833</u>	<u>\$18,662,178</u>	<u>\$ (528,345)</u>	(2.8%)

Capital Assets include depreciation & amortization expense of \$780,738. There were no disposals during the year.

During fiscal year 2023, the District had equipment purchases of \$40,932, two bus purchases were budgeted but not received in the fiscal year, so the expenditure will be carried over to FY24. Additional expenditures were made on capital projects of \$211,462 and \$77,276 were placed in service.

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

Long-Term Liabilities

	Governmental Activities and Total School District			
	2023	2022	\$ Change	% Change
General Obligation Bonds	\$ 4,935,000	\$ 5,775,000	\$ (840,000)	(14.5%)
Other Post-employment Benefits	29,896,157	39,103,805	(9,207,648)	(23.5%)
Compensated Absences	236,657	216,708	19,949	9.2%
Leases Payable	37,159	64,327	(27,168)	(42.2%)
Pension Liabilities	<u>1,157,755</u>	<u>-</u>	<u>1,157,755</u>	<u>100.0%</u>
Total	<u>\$ 36,262,728</u>	<u>\$45,159,840</u>	<u>\$ (8,897,112)</u>	<u>(19.7%)</u>

General Obligation Bonds: The District paid \$840,000 in scheduled principal payments on the Serial Bonds. The District paid \$27,168 on the finance lease payable obligations in fiscal year 2023.

Factors Bearing on the District's Future

With the following observations, the District can only project what future financial changes will be by how the history of budget and school operations have been in the District.

The contract for the Belleville Henderson Teachers Association expires June 30, 2025. This contract includes increases of 3.70% for 2020-21, 3.50% for 2021-22, 3.50% for 2022-23, 3.50% for 2023-24 and 3.30% for 2024-25.

The contract for the Belleville Henderson Support Staff expires June 30, 2023. This contract includes an increase of 3% annually for the length of the contract.

The contract increase in payroll will have a proportional increase in employee benefit costs for Social Security, Medicare and Teachers retirement (TRS) and employee (ERS) costs. Overall, the District's Medical insurance premiums have increased 1.00% for 2021-2022 and 7.00% for 2022-2023.

In the current year, State Aid will provide 51.5% of the District's general revenues which the same as the previous year.

In the near future inflation could provide additional challenges for the district. The district is monitoring the potential impacts and preparing for an increase in the cost of purchases. Specifically the district is monitoring the continued rise in fuel prices and the impact on our transportation department.

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

Contacting the School District's Financial Management

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, please contact:

School Business Manager
Belleville Henderson Central School District
8372 County Route 75
Adams, NY 13605

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	Total Governmental Funds
ASSETS	
Unrestricted Cash	\$ 1,492,890
Restricted Cash	672,900
Due from Fiduciary Funds	-
Due from Other Governments	316,494
Due from State and Federal	768,280
Other Receivables	20,813
Prepaid Expenditures	-
Inventories	17,177
Capital Assets, Net	18,133,833
Net Pension Asset-Proportionate Share	-
Total Assets	21,422,387
DEFERRED OUTFLOWS OF RESOURCES	
OPEB	3,950,332
Pensions	2,479,136
Total Deferred Outflows of Resources	6,429,468
LIABILITIES	
Accounts Payable	304,280
Accrued Liabilities	64,922
Due to Fiduciary Funds	195
Retainage	-
Due to Other Governments	-
Due to Teachers' Retirement System	372,795
Due to Employees' Retirement System	42,785
Bond Anticipation Notes Payable	-
Other Liabilities	469,673
Long-term Liabilities	
Due and Payable Within One Year	
Compensated Absences Payable	45,636
Bonds Payable and Other Debt	855,000
Leases Payable	26,033
Due and Payable After One Year	
Compensated Absences Payable	191,021
Bonds Payable and Other Debt	4,080,000
Leases Payable	11,126
Other Postemployment Benefits	29,896,157
Net Pension Liability - Proportionate Share	1,157,755
Total Liabilities	37,517,378
DEFERRED INFLOWS OF RESOURCES	
OPEB	9,764,320
Pensions	279,861
Total Deferred Inflows of Resources	10,044,181
NET POSITION	
Net Investment in Capital Assets	12,701,231
Restricted	665,848
Unrestricted	(33,076,783)
Total Net Position	\$ (19,709,704)

The accompanying notes are an integral part of these financial statements.

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Expenses</u>	<u>Program Revenues</u> Charges for Services	<u>Operating Grants</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
FUNCTIONS/PROGRAMS				
General Support	\$ 2,798,093	\$ -	\$ -	\$ (2,798,093)
Instruction	8,505,404	1,864	1,198,815	(7,304,725)
Pupil Transportation	1,056,509	-	-	(1,056,509)
Community Services	-	-	-	-
Debt Service Costs	101,592	-	-	(101,592)
School Lunch Program	251,541	82,110	265,071	95,640
Total Functions and Programs	<u><u>\$ 12,713,139</u></u>	<u><u>\$ 83,974</u></u>	<u><u>\$ 1,463,886</u></u>	<u><u>(11,165,279)</u></u>
GENERAL REVENUES				
Real Property Taxes				4,783,527
Other Tax Items				304,549
Interest Income				4,639
Use of Money and Property				500
Sale of Property & Compensation for Loss				-
Miscellaneous				159,294
State Sources				5,751,936
Federal Sources				67,074
Total General Revenues and Special Items				<u>11,071,519</u>
Changes in Net Position				(93,760)
Net Position - Beginning of Year				<u>(19,615,944)</u>
Net Position - End of year				<u><u>\$(19,709,704)</u></u>

The accompanying notes are an integral part of these financial statements.

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	Governmental Fund Types						Total Governmental Funds
	General	Special Aid	School Food Service	Debt Service	Capital	Miscellaneous Special Revenue	
ASSETS							
Unrestricted Cash	\$ 992,417	\$ 11,476	\$ 169,819	\$ -	\$ 319,178	\$ -	\$ 1,492,890
Restricted Cash	542,367	-	-	122,706	-	7,827	672,900
Due from Other Funds	645,726	-	-	775	-	-	646,501
Due from Fiduciary Funds	-	-	-	-	-	-	-
Due from Other Governments	316,494	-	-	-	-	-	316,494
Due from State and Federal	83,647	683,321	1,312	-	-	-	768,280
Other Receivables	19,156	-	1,657	-	-	-	20,813
Prepaid Expenditures	-	-	-	-	-	-	-
Inventories	-	-	17,177	-	-	-	17,177
Total Assets	<u>2,599,807</u>	<u>694,797</u>	<u>189,965</u>	<u>123,481</u>	<u>319,178</u>	<u>7,827</u>	<u>3,935,055</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Outflows of Resources	-	-	-	-	-	-	-
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES AND FUND BALANCE							
Accounts Payable	250,807	49,076	1,183	-	3,214	-	304,280
Accrued Liabilities	64,922	-	-	-	-	-	64,922
Due to Other Funds	766	645,721	-	-	14	-	646,501
Due to Fiduciary Funds	-	-	195	-	-	-	195
Due to Other Governments	-	-	-	-	-	-	-
Due to Teachers' Retirement System	372,795	-	-	-	-	-	372,795
Due to Employees' Retirement System	38,664	-	4,121	-	-	-	42,785
Bond Anticipation Notes Payable	-	-	-	-	-	-	-
Compensated Absences	40,086	-	-	-	-	-	40,086
Other Liabilities	-	-	1,007	-	-	-	1,007
Total Liabilities	<u>768,040</u>	<u>694,797</u>	<u>6,506</u>	<u>-</u>	<u>3,228</u>	<u>-</u>	<u>1,472,571</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflows of Resources	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:							
Non-spendable	-	-	17,177	-	-	-	17,177
Restricted	542,367	-	-	123,481	-	-	665,848
Committed	-	-	-	-	-	-	-
Assigned	890,494	-	166,282	-	315,950	7,827	1,380,553
Unassigned	398,906	-	-	-	-	-	398,906
Total Fund Balance	<u>1,831,767</u>	<u>-</u>	<u>183,459</u>	<u>123,481</u>	<u>315,950</u>	<u>7,827</u>	<u>2,462,484</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 2,599,807</u>	<u>\$ 694,797</u>	<u>\$ 189,965</u>	<u>\$ 123,481</u>	<u>\$ 319,178</u>	<u>\$ 7,827</u>	<u>\$ 3,935,055</u>

The accompanying notes are an integral part of these financial statements.

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

	Total Governmental Funds	Long-term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
ASSETS				
Unrestricted Cash	\$ 1,492,890	\$ -	\$ -	\$ 1,492,890
Restricted Cash	672,900	-	-	672,900
Due from Other Funds	646,501	-	(646,501)	-
Due from Fiduciary Funds	-	-	-	-
Due from Other Governments	316,494	-	-	316,494
Due from State and Federal	768,280	-	-	768,280
Other Receivables	20,813	-	-	20,813
Prepaid Expenditures	-	-	-	-
Inventories	17,177	-	-	17,177
Capital Assets, Net	-	18,133,833	-	18,133,833
Net Pension Asset-Proportionate Share	-	-	-	-
Total Assets	3,935,055	18,133,833	(646,501)	21,422,387
DEFERRED OUTFLOWS OF RESOURCES				
OPEB	-	3,950,332	-	3,950,332
Pensions	-	2,479,136	-	2,479,136
Total Deferred Outflows of Resources	-	6,429,468	-	6,429,468
LIABILITIES				
Accounts Payable	304,280	-	-	304,280
Accrued Liabilities	64,922	-	-	64,922
Retainage	-	-	-	-
Due to Other Funds	646,501	-	(646,501)	-
Due to Fiduciary Funds	195	-	-	195
Due to Other Governments	-	-	-	-
Due to Teachers' Retirement System	372,795	-	-	372,795
Due to Employees' Retirement System	42,785	-	-	42,785
Bond Anticipation Notes Payable	-	-	-	-
Other Liabilities	1,007	468,666	-	469,673
Compensated Absences Payable Within One Year	40,086	5,550	-	45,636
Bonds Payable Due Within One Year	-	855,000	-	855,000
Leases Payable Due Within One Year	-	26,033	-	26,033
Compensated Absences Payable Due After One Year	-	191,021	-	191,021
Bonds Payable Due After One Year	-	4,080,000	-	4,080,000
Leases Payable Due After One Year	-	11,126	-	11,126
Other Postemployment Benefits	-	29,896,157	-	29,896,157
Net Pension Liability - Proportionate Share	-	1,157,755	-	1,157,755
Total Liabilities	1,472,571	36,691,308	(646,501)	37,517,378
DEFERRED INFLOWS OF RESOURCES				
OPEB	-	9,764,320	-	9,764,320
Pensions	-	279,861	-	279,861
Total Deferred Inflows of Resources	-	10,044,181	-	10,044,181
FUND BALANCE/NET POSITION				
Total Fund Balance/Net Position	2,462,484	(22,172,188)	-	(19,709,704)
Total Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position	\$ 3,935,055	\$ 24,563,301	\$ (646,501)	\$ 27,851,855

The accompanying notes are an integral part of these financial statements.

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Governmental Fund Types						Total
	General	Special Aid	School Food Service	Debt Service	Capital	Miscellaneous Special Revenue	Governmental Funds
REVENUES							
Real Property Taxes	\$ 4,783,527	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,783,527
Other Tax Items	304,549	-	-	-	-	-	304,549
Charges for Services	1,864	-	-	-	-	-	1,864
Use of Money and Property	3,414	-	-	1,725	-	-	5,139
Sale of Property and Compensation for Loss	-	-	-	-	-	-	-
Miscellaneous	150,352	-	-	-	-	8,942	159,294
State Sources	5,751,936	108,072	6,368	-	-	-	5,866,376
Federal Sources	67,074	1,090,743	236,098	-	-	-	1,393,915
Surplus Food	-	-	22,605	-	-	-	22,605
Sales	-	-	82,110	-	-	-	82,110
Total Revenues	11,062,716	1,198,815	347,181	1,725	-	8,942	12,619,379
EXPENDITURES							
General Support	1,679,510	37,766	132,753	-	-	8,351	1,858,380
Instruction	5,001,173	948,456	-	-	-	-	5,949,629
Pupil Transportation	593,880	-	-	-	-	-	593,880
Community Services	-	-	-	-	-	-	-
Employee Benefits	2,330,740	243,221	38,747	-	-	-	2,612,708
Debt Service	1,053,615	-	-	-	-	-	1,053,615
Cost of Sales	-	-	198,485	-	-	-	198,485
Capital Outlay	-	-	-	-	211,462	-	211,462
Total Expenditures	10,658,918	1,229,443	369,985	-	211,462	8,351	12,478,159
Excess (Deficit) Revenues Over Expenditures	403,798	(30,628)	(22,804)	1,725	(211,462)	591	141,220
OTHER FINANCING SOURCES AND USES							
Premium received on Bonds	-	-	-	-	-	-	-
Proceeds from debt	-	-	-	-	-	-	-
Lease Financing	-	-	-	-	-	-	-
Operating Transfers In	39,500	30,628	-	-	427,412	-	497,540
Operating Transfers (Out)	(458,040)	-	-	(17,500)	(22,000)	-	(497,540)
Total Other Sources (Uses)	(418,540)	30,628	-	(17,500)	405,412	-	-
Excess (Deficit) Revenues and Other Sources Over Expenditures and Other (Uses)	(14,742)	-	(22,804)	(15,775)	193,950	591	141,220
Fund Balance (Deficit) - Beginning of Year,	1,846,509	-	206,263	139,256	122,000	7,236	2,321,264
Fund Balance, End of Year	\$ 1,831,767	\$ -	\$ 183,459	\$ 123,481	\$ 315,950	\$ 7,827	\$ 2,462,484

The accompanying notes are an integral part of these financial statements.

BELLEVILLE HENDERSON CSD
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	Total Governmental Funds	Capital Related Items	Long-term Revenue, Expenses	Long-term Debt Transactions	Reclassifications and Eliminations	Statement of Activities Totals
REVENUES						
Real Property Taxes	\$ 4,783,527	\$ -	\$ -	\$ -	\$ -	\$ 4,783,527
Other Tax Items	304,549	-	-	-	-	304,549
Charges for Services	1,864	-	-	-	-	1,864
Use of Money and Property	5,139	-	-	-	-	5,139
Sale of Property and Compensation for Loss	-	-	-	-	-	-
Miscellaneous	159,294	-	-	-	-	159,294
State Sources	5,866,376	-	-	-	-	5,866,376
Federal Sources	1,393,915	-	-	-	-	1,393,915
Surplus Food	22,605	-	-	-	-	22,605
Sales	82,110	-	-	-	-	82,110
Total Revenues and Special Items	12,619,379	-	-	-	-	12,619,379
EXPENDITURES						
General Support	1,858,380	31,926	-	-	907,787	2,798,093
Instruction	5,949,629	500,030	-	-	2,055,745	8,505,404
Pupil Transportation	593,880	207,850	-	-	254,779	1,056,509
Community Services	-	-	-	-	-	-
Employee Benefits	2,612,708	-	658,659	-	(3,271,367)	-
Debt Service	1,053,615	-	-	(952,023)	-	101,592
Cost of Sales	198,485	-	-	-	53,056	251,541
Capital Outlay	211,462	(211,462)	-	-	-	-
Total Expenditures	12,478,159	528,344	658,659	(952,023)	-	12,713,139
Excess (Deficit) Revenues Over Expenditures	141,220	(528,344)	(658,659)	952,023	-	(93,760)
OTHER FINANCING SOURCES AND USES						
Proceeds (Uses) from Debt and Leases	-	-	-	-	-	-
Operating Transfers In (Out)	-	-	-	-	-	-
Total Other Sources (Uses)	-	-	-	-	-	-
Net Change for the Year	\$ 141,220	\$ (528,344)	\$ (658,659)	\$ 952,023	\$ -	\$ (93,760)

The accompanying notes are an integral part of these financial statements.

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)

Amounts reported for governmental activities in the statement of net position are different because:

Net Change in Fund Balances - Total Governmental Funds	\$ 141,220
--	------------

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period, net of related losses on disposal of capital assets

Capital Outlays - Net	211,462
Depreciation/Amortization Expense	(780,738)
Additions to Vehicles and Equipment	40,932
Additions to Leases	

Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of debt repayments made in the current period.

27,168

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of debt repayments made in the current period.

840,000

Proceeds of long-term debt is recorded as an other financing source for governmental funds, but it is not recorded in the Statement of Activities. This is the amount of net proceeds from long-term debt received in the current year.

-

Proceeds from bond premiums are reported in governmental funds as revenues, however in the Statement of Activities, the unearned revenue is allocated over the life of the bonds as a reduction of interest expense. This is the amount that the current year premiums received exceeds the amortization in the period.

84,003

(Increases) decreases in accrued interest payable reported in the Statement of Activities do not provide for or require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

852

(Increases) decreases in accrued compensated absences reported in the Statement of Activities do not provide for or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.

(17,728)

On the Statement of Activities, the actual and projected long term expenditures for post employment benefits are reported, whereas, on the governmental funds only the actual expenditures are recorded for post employment benefits.

(353,296)

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

Teachers' Retirement System	(89,159)
Employees' Retirement System	(198,476)

Change in net position of governmental activities

\$ (93,760)

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2023

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 67,102
Due from Other Funds	<u>195</u>
Total Assets	<u><u>\$ 67,297</u></u>
LIABILITIES	
Due to Other Governments	<u>\$ 121</u>
Total Liabilities	<u>121</u>
NET POSITION	
Restricted for Other Purposes	<u>67,176</u>
Total Net Position	<u>67,176</u>
Total Liabilities and Net Position	<u><u>\$ 67,297</u></u>

The accompanying notes are an integral part of these financial statements.

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Custodial Funds</u>
ADDITIONS	
Extraclassroom Receipts	<u>\$ 122,054</u>
Total Additions	<u>122,054</u>
DEDUCTIONS	
Extraclassroom Disbursements	<u>113,219</u>
Total Deductions	<u>113,219</u>
Change in Net Position	8,835
Net Position - Beginning of Year	<u>58,341</u>
Net Position - End of Year	<u><u>\$ 67,176</u></u>

The accompanying notes are an integral part of these financial statements.

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

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

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

The accompanying financial statements present the activities of the District and other organizational entities determined to be includable in the District’s financial reporting entity. The decision to include another organizational entity in the District’s reporting entity is based on several criteria including legal standing, fiscal dependency and financial accountability. Based on application of these criteria, a brief description of Extraclassroom Activity Funds included in the District’s reporting entity follows.

Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found at the District’s business office.

JOINT VENTURE

The District is a component district in the Jefferson-Lewis-Hamilton-Herkimer-Oneida Counties BOCES. A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs that provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)
JOINT VENTURE (continued)

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.

During the year, the District was billed \$1,894,385 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$421,992. General purpose financial statements for the BOCES are available from the BOCES administrative office.

BASIS OF PRESENTATION

District-wide statements

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

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

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)
BASIS OF PRESENTATION (continued)

Fund financial statements

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

The District reports the following major governmental funds:

- **General Fund** - this is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.
- **Special Revenue Funds** - these funds account for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes, child nutrition operations, and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties. The Special Revenue Funds classified as major are:
 - **Special Aid Funds**: Used to account for special operating projects or programs supported in whole, or in part, with Federal funds or State or Local grants.
 - **School Food Service Fund**: Used to account for transactions of the lunch and breakfast programs.
- **Capital Projects Funds** - these funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. For these funds, each capital project is assessed to determine whether it is a major or non-major fund. Those capital projects that are determined to be major are reported in separate columns in the financial statements.
- **Debt Service Fund** - this fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities. When a capital asset is sold and all or a portion of the bonds used to finance the capital asset are outstanding, this fund must be used to account for the proceeds from the sale of capital assets up to the balance of related bonds outstanding.

The District reports the following non-major governmental funds:

- **Special Revenue Funds** – See above explanation.
 - **Miscellaneous Special Revenue**: Used to account for student scholarships whose funds are restricted as to use.

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)
BASIS OF PRESENTATION (continued)

The District reports the following fiduciary funds:

- **Fiduciary Funds** - Fiduciary activities are those in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the District, and are not available to be used. The School District reports the following Fiduciary Funds:
 - **Custodial Funds:** These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the District as agent for various student groups or extraclassroom activity funds.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year. Fees and other similar revenue are not susceptible to accrual because generally they are not measurable until available. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made.

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

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)

PROPERTY TAXES

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

Uncollected real property taxes are subsequently enforced by the County of Jefferson, 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.

UNEARNED REVENUES

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

RESTRICTED RESOURCES

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

INTER-FUND TRANSACTIONS

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

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

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

Refer to Note 9 for a detailed disclosure by individual fund for inter-fund receivables, payables, expenditures and revenues activity.

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)

ESTIMATES

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

CASH AND INVESTMENTS

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

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

ACCOUNTS RECEIVABLE

Accounts receivable are shown net of uncollectible accounts, when applicable. An allowance for uncollectible accounts represents the portion of accounts receivable that is not expected to be collected within 365 days. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

INVENTORIES AND PREPAID ITEMS

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

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

OTHER ASSETS/LIABILITIES

In the district-wide financial statements, bond discount (asset) and bond premium (liability), and any bond insurance costs are deferred and amortized over the life of the debt issue. Bond issuance costs are recognized as an expense in the period incurred.

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)

CAPITAL ASSETS

Capital assets are reported at estimated historical costs, based on appraisals conducted by independent third-party professionals. Donated assets are reported at estimated fair market value at the time received.

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

	Capitalization Threshold	Amortization/ Depreciation Method	Estimated Useful Life
Buildings and Improvements	\$ 25,000	straight-line	15-50 years
Machinery and Equipment	\$ 5,000	straight-line	5-8 years
Vehicles	\$ 5,000	straight-line	5-8 years
Intangibles:			
Right-use lease assets: Equipment	\$ 5,000	straight-line	5-10 years

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

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

In addition to liabilities, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has four items that qualify for reporting in this category. First arises only under a modified accrual basis of accounting and is reported as unavailable revenue – property taxes. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (TRS and ERS Systems) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The third item is revenues from grants

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)
DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES (continued)

received that have met all other eligibility requirements except those related to time restrictions. The fourth item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

VESTED EMPLOYEE BENEFITS

Compensated Absences

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

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employee contracts. Upon retirement, resignation, or death, employees may contractually receive a payment based on unused accumulated sick leave. Generally the employee must have accumulated minimum years of service with the District and must be eligible for retirement under the provisions of either the teacher or employee retirement systems.

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

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

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

Other Benefits

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

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

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)
VESTED EMPLOYEE BENEFITS (continued)

District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Section 403(b) – Tax Sheltered Annuities (TSA). The plan is available to all school employees and permits them to defer taxation on a portion of their salary until future years. The deferred portion is withheld by the District and disbursed to the employees' TSA plan administrator. The TSA plans are owned by the individuals and held in trust by the plan administrator.

LEASES

As lessee, the District recognizes lease liabilities with an initial, individual value of \$5,000 or more. The District uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The District's estimated incremental borrowing rate is based on the risk free rate for tax exempt bonds that were issued by the District in the past adjusted for the terms of the various leases.

SHORT TERM DEBT

The District may issue Revenue Anticipation Notes (RAN) and Tax Anticipation Notes (TAN), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund.

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

The District may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. Such notes may be classified as part of the General Long-Term Debt Account Group when (1) the intention is to refinance the debt on a long-term basis and (2) the intention can be substantiated through a post balance-sheet issuance of long-term debt or an acceptable financing agreement. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

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

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)
ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS (continued)

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.

EQUITY CLASSIFICATIONS

District-wide Statements

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

- **Net investment in capital assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.
- **Restricted net position** – reports net position when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted net position** – reports the balance of net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the District.

Funds Statements

Below is the breakdown of fund balances for the fund basis statements:

	General Fund	Special Aid Fund	School Food Service Fund	Debt Service Fund	Capital Fund	Non-major Funds	Total
Non-spendable:							
Inventory	\$ -	\$ -	\$ 17,177	\$ -	\$ -	\$ -	\$ 17,177
Restricted:							
Debt Service Reserve	-	-	-	123,481	-	-	123,481
Retirement Contribution	412,757	-	-	-	-	-	412,757
Reserve for Teacher's Retirement	100,803	-	-	-	-	-	100,803
Unemployment Insurance	28,772	-	-	-	-	-	28,772
Capital Reserve	35	-	-	-	-	-	35
Assigned:							
Central Services	964	-	-	-	-	-	964
Pupil Services	3,431	-	-	-	-	-	3,431
Pupil Transportation	285,622	-	-	-	-	-	285,622
Appropriated Fund Balance	600,477	-	166,282	-	315,950	7,827	1,090,536
Unassigned:	398,906	-	-	-	-	-	398,906
	<u>\$ 1,831,767</u>	<u>\$ -</u>	<u>\$ 183,459</u>	<u>\$ 123,481</u>	<u>\$ 315,950</u>	<u>\$ 7,827</u>	<u>\$ 2,462,484</u>

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)
EQUITY CLASSIFICATIONS (continued)
Funds Statements (continued)

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

Non-spendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. See detail of balances in chart on previous page.

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

Debt Service Reserve Fund

According to General Municipal Law §6-1, the Mandatory Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations which remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of District property or capital improvement. This reserve is accounted for in the Debt Service Fund.

Employee Benefit Accrued Liability Reserve Fund

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

Retirement Contributions Reserve Fund

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

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)
EQUITY CLASSIFICATIONS (continued)
Funds Statements (continued)

Tax Certiorari Reserve Fund

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

Unemployment Insurance Payment Reserve Fund

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

Workers' Compensation Reserve Fund

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

Capital Reserve Fund

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

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)
EQUITY CLASSIFICATIONS (continued)
Funds Statements (continued)

Encumbrances

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

Liability Claims and Property Loss Reserve Fund

According to Education Law §1709(8)(c), must be used to pay for liability claims and property loss incurred. Separate funds for property loss and liability claims are required, and these reserves may not in total exceed 3% of the annual budget or \$15,000, whichever is greater. This type of reserve fund may be utilized only by school districts, except city school districts with a population greater than 125,000. This reserve is accounted for in the General Fund.

Insurance Reserve Fund

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

Repair Reserve Fund

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

Reserve for Insurance Recoveries

Reserve for Insurance Recoveries (Education Law §1718(2)) is used at the end of the fiscal year to account for unexpended proceeds of insurance recoveries. They will be held there pending action by the Board on their disposition. This reserve will not be used if the insurance recovery is expended in the same fiscal year in which it was received. The reserve is accounted for in the general fund.

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)
EQUITY CLASSIFICATIONS (continued)
Funds Statements (continued)

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

Assigned – Includes amounts that are constrained by the District’s intent to be used for specific purposes, but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the General Fund. Assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year’s budget, as well as encumbrances not classified as restricted at the end of the fiscal year. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. The School Food Service Fund also reports Assigned Fund Balance. See Fund Balance breakdown above for details. The General Fund encumbrances \$290,017 were classified as General Support \$964, Instruction \$3,431 and Transportation \$285,622 at June 30, 2023.

Unassigned – Includes all other General Fund amounts that do not meet definition of the above four classifications and are deemed to be available for general use by the School District and could report a surplus or deficit. In funds other than the general fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amount had been restricted or assigned. In accordance with state guidelines, unassigned fund balance in the general fund includes the following reserve:

Reserve for Tax Reduction

Reserve for Tax Reduction ((Education Law §1604(36) and §1709(37)) is used for the gradual use of the proceeds of the sale of District real property where such proceeds are not required to be placed in the mandatory reserve for debt service. Specifically, the District is permitted to retain the proceeds of the sale for a period not to exceed ten years, and to use them during that period for tax reduction. The reserve is accounted for in the general fund.

Unassigned Fund Balance

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the School District’s budget for the General Fund for the ensuing fiscal year. Non-spendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation. The portion of the District’s fund balance subject to the New York State Real Property Tax Law §1318 limit did not exceed the amount allowable, which is 4% of the District’s budget for the upcoming school year.

Net Position/Fund Balance:

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

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)
EQUITY CLASSIFICATIONS (continued)
Funds Statements (continued)

Order of Use of Fund Balance:

When more than one classification of fund balance of the District are eligible to be utilized for an expenditure of the District, the order in which the fund balance classifications will be utilized will be as follows:

- Restricted fund balance for which action has been taken by the Board of Education, a designated school official, or by the voters of the District, specifically designating funds to the expenditure;
- Committed fund balance for which action has been taken by the Board of Education, a designated school official, or by the voters of the District, specifically designating funds to the expenditure;
- Assigned fund balance created specifically for the expenditure (encumbered fund balance);
- Assigned fund balance within funds other than the General Fund of the District to which the expenditure relates;
- Unassigned fund balance.

NEW ACCOUNTING STANDARDS

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

GASB has issued Statement No. 91, *Conduit Debt Obligations*, effective for the year ending June 30, 2023.

GASB has issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Agreements*, effective for the year ending June 30, 2023.

GASB has issued Statement No. 96, *Subscription-Based information Technology Agreements*, effective for the year ending June 30, 2023.

GASB Statement No. 99, *Omnibus*, some elements effective for the year ending June 30, 2023 and others June 30, 2024.

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (continued)

FUTURE ACCOUNTING STANDARDS

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

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

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

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

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

TOTAL OF GOVERNMENTAL FUND BALANCES VERSUS NET POSITION OF GOVERNMENTAL ACTIVITIES

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

Long-term Assets

The costs of building and acquiring capital assets (lands, 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 assets among the assets of the District as a whole, and their original costs are expensed annually over their useful lives.

Original cost of capital assets	\$ 29,753,830
Accumulated depreciation/amortization	<u>(11,619,997)</u>
Net Capital Assets	<u>\$ 18,133,833</u>

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS (continued)
TOTAL OF GOVERNMENTAL FUND BALANCES VERSUS NET POSITION OF GOVERNMENTAL ACTIVITIES (continued)

Other & Accrued Liabilities

Other liabilities such as retainage held in the capital construction project are reported in the Statement of Net Position but not in the governmental fund statements because they are included in carryover encumbrance. Bond interest payable and unamortized bond premium are reported in the Statement of Net Position but not in the governmental fund statements because they are due in a future period. Balances at year end were:

Unamortized Bond Premium	\$ (460,443)
Bond Interest Payable	(8,223)
Retainage	-
	<u>\$ (468,666)</u>

Long-term Liabilities

Long-term liabilities are reported in the Statement of Net Position but not in the governmental fund statements because they are not due and payable in the current period. Balances at year end were:

Bonds Payable	\$ (4,935,000)
Leases Payable	(37,159)
Compensated Absences	(196,571)
Postemployment Benefits	(29,896,157)
	<u>\$ (35,064,887)</u>

Pension

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

Pension Asset	\$ -
Pension Liability	(1,157,755)
	<u>\$ (1,157,755)</u>

Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the statement of Net Position will sometimes report a separate section for deferred outflows and inflows of resources. The separate financial statement element, deferred outflows of resources, represent 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 separate financial statement element, deferred inflows of resources, represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Outflows and Inflows of resources were:

Deferred Outflow of Resources	\$ 6,429,468
Deferred Inflows of Resources	(10,044,181)
	<u>\$ (3,614,713)</u>

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS (continued)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE VERSUS 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 five broad categories. The amounts shown on the following page represent:

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.

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 of capital items in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.

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.

Pension differences

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

OPEB Differences

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

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS (continued)

Explanation of Differences between Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Equity and the Statement of Activities (continued)

Total revenues and other funding sources:

Total revenues and other funding sources of governmental funds	\$ 12,719,384
Reconciling items:	
Add payment to escrow agent on refunded bonds	-
Add net gain from disposal/trade in of assets	-
Less premium in debt service fund	-
Less proceeds from Bonds	-
Total revenues from governmental activities - Statement of Activities	<u>\$ 12,719,384</u>

Total expenditures/expenses:

Total expenditures reported in governmental funds	\$ 12,478,159
Reconciling items:	
Add depreciation & amortization expense	780,738
Add other postemployment benefits	353,296
Add change in long-term compensated absences	17,729
Add changes in retirement benefits	287,635
Less change in interest accrual & bond premium amortization	(84,855)
Less capital expenditures (capitalized in government-wide statement)	(252,394)
Less payment on leases	(27,168)
Less payment on long-term debt	<u>(840,000)</u>
Total expenses of governmental activities - Statement of Activities	<u>\$ 12,713,140</u>

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETS

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

- General Fund

The voters of the District approved the proposed appropriation budget for the General Fund. The proposed appropriation budget is then approved by the voters within the District.

Appropriations are adopted at the program line item level. Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)
BUDGETS (continued)

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

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

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

ENCUMBRANCES

Encumbrance accounting is used for budget control and monitoring purposes and is reported as 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 the year-end are presented as restrictions or assignments of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at the time, as the liability is incurred, or commitment is paid.

NOTE 4 - CASH – CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE RISKS, AND FOREIGN CURRENCY RISKS

Cash and Investments

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

Deposits are valued at cost, or cost plus interest, and are categorized as either:

- A. Insured, invested in permitted securities or collateralized with securities held by the District or by its agent in the District's name, or
- B. Collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name, or
- C. Uncollateralized.

Total financial institution bank balances at year-end, per the bank, are categorized as follows:

A.	\$	962,321
B.	\$	1,532,483
C.	\$	-

Restricted cash represents cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$542,367 restricted for various fund balance reserves in the general fund, \$122,706 in the debt service fund and \$7,827 restricted for use in the miscellaneous revenue fund within the governmental funds and \$67,102 in the Fiduciary Funds.

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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

Investment and Deposit Policy

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

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

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

- Interest bearing demand accounts.
- Certificates of deposit.
- Obligations of the United States Treasury and United States agencies.
- Obligations of New York State and its localities.

Custodial Credit Risk

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

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

Investments

US GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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

Investments (continued)

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means;
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

All the District's investments are valued based on Level 1 of the hierarchy.

The following is a description of the valuation methodologies used for investments measured at fair value:

Cash and cash equivalents: Valued at cost plus accrued interest, which approximates fair market value.

The District does not typically purchase investments for long enough duration to cause it to believe that it is exposed to any material interest rate risk.

The District does not typically purchase investments denominated in a foreign currency and is not exposed to foreign currency risk.

The District participates in the New York Liquid Asset Fund (NYLAF), a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investment in cooperation with other participants. At June 30, 2023, the District held \$683,933 in these investments consisting of various investments in securities issued by the United States and its agencies. The following valuation inputs are included as investments:

The District total investments of the cooperative as of June 30, 2023 are \$1,187,796, which consisted of \$355,032 in repurchase agreements, \$683,933 in U.S. Treasury Securities, \$28,388 in FDIC Insured Bank Deposits and \$120,443 in collateralized bank deposits.

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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

Investments (continued)

<u>Investments in Securities at Fair Value</u>	<u>Valuation Inputs</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
General Fund	\$ 845,917	\$ -	\$ -	\$ 845,917
Capital Projects Fund	219,173	-	-	219,173
Debt Service Fund	<u>122,706</u>	<u>-</u>	<u>-</u>	<u>122,706</u>
Total	<u>\$ 1,187,796</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,187,796</u>

The above amounts represent the fair value of the investment pool shares the District invested in. For the year ended June 30, 2023, the portfolio did not have unobservable inputs (Level 3) used in determining fair value. Thus, a reconciliation of assets in which significant unobservable inputs (Level 3) which were used in determining fair value is not applicable. There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the period. The portfolio recognizes transfers between the levels as of the beginning of the fiscal year.

NOTE 5 - CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements Reclassifications</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets that are not depreciated/amortized:				
Land	\$ 138,065	\$ -	\$ -	\$ 138,065
Construction in Progress	-	211,462	(77,276)	134,186
Total cost non-depreciable assets	<u>138,065</u>	<u>211,462</u>	<u>(77,276)</u>	<u>272,251</u>
Capital assets that are depreciated/amortized:				
Buildings and Improvements	26,910,093	77,276	-	26,987,369
Equipment	479,114	40,932	-	520,046
Right-to-Use Lease Assets-				
Equipment	225,842	-	-	225,842
Vehicles	<u>1,748,322</u>	<u>-</u>	<u>-</u>	<u>1,748,322</u>
Total cost depreciable assets	<u>29,363,371</u>	<u>118,208</u>	<u>-</u>	<u>29,481,579</u>
Less accumulated depreciation/amortization:				
Buildings and Improvements	(9,429,973)	(550,006)	-	(9,979,979)
Equipment	(264,049)	(35,737)	-	(299,786)
Right-to-Use Lease Assets-				
Equipment	(154,252)	(27,688)	-	(181,940)
Vehicles	<u>(990,985)</u>	<u>(167,307)</u>	<u>-</u>	<u>(1,158,292)</u>
Total accumulated depreciation/ amortization	<u>(10,839,259)</u>	<u>(780,738)</u>	<u>-</u>	<u>(11,619,997)</u>
Net capital assets	<u>\$ 18,662,177</u>	<u>\$ (451,068)</u>	<u>\$ (77,276)</u>	<u>\$ 18,133,833</u>

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5 - CAPITAL ASSETS (continued)

Depreciation/Amortization expense was charged to Governmental functions as follows:

General Support	\$ 31,926
Instruction	540,962
Pupil Transportation	<u>207,850</u>
	<u>\$ 780,738</u>

NOTE 6 - SHORT-TERM DEBT

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

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

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed/ Refunded</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Bond Anticipation Notes (BAN):					
None	\$ -	\$ -	\$ -	\$ -	\$ -
Total bonds payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Interest paid	\$ -
Less interest accrued in the prior year	-
Plus interest accrued in the current year	-
Less Bond premium recognized	<u>-</u>
Total Expense	<u>\$ -</u>

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 7 - LONG-TERM DEBT

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

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed/ Refunded</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Government activities:					
2017 Serial Bonds, final maturity 6/15/32, interest ranging from 3.0% through 5.0% through final maturity	\$ 1,605,000	\$ -	\$ (130,000)	\$ 1,475,000	\$ 135,000
2020 Serial Bonds, final maturity 8/1/24, interest ranging from 3.0% through 3.5% through final maturity	280,000	-	(90,000)	190,000	95,000
2021 Serial Bonds, final maturity 6/15/27, interest ranging from 1% through 4% through final maturity	2,615,000	-	(555,000)	2,060,000	555,000
2021 Serial Bonds, final maturity 6/15/36, interest ranging from 4% through 5% through final maturity	<u>1,275,000</u>	<u>-</u>	<u>(65,000)</u>	<u>1,210,000</u>	<u>70,000</u>
Total bonds payable	\$ 5,775,000	\$ -	\$ (840,000)	\$ 4,935,000	\$ 855,000
Leases Payable	\$ 64,327	\$ -	\$ (27,168)	\$ 37,159	\$ 25,041
Compensated Absence benefits	216,709	93,444	(73,496)	236,657	45,636
Other Postemployment benefits	39,103,805	2,217,182	(11,424,830)	29,896,157	-
Net Pension Liabilities:					
TRS	-	358,333	-	358,333	-
ERS	<u>-</u>	<u>799,422</u>	<u>-</u>	<u>799,422</u>	<u>-</u>
Total long-term liabilities	<u>\$ 45,159,841</u>	<u>\$ 3,468,381</u>	<u>\$(12,365,494)</u>	<u>\$36,262,728</u>	<u>\$ 925,677</u>

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

Interest paid on bonds	\$ 184,428
Interest paid on leases	2,019
Less interest accrued in the prior year	(9,075)
Plus interest accrued in the current year	8,223
Less Bond premium recognized	<u>(84,003)</u>
Total Expense	<u>\$ 101,592</u>

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 7 - LONG-TERM DEBT (continued)

The following is a summary of the maturity of long-term indebtedness:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ended June 30,			
2024	\$ 855,000	170,265	1,025,265
2025	875,000	153,764	1,028,764
2026	685,000	135,775	820,775
2027	710,000	117,800	827,800
2028	250,000	87,050	337,050
2029-2033	1,215,000	237,000	1,452,000
2034-2038	<u>345,000</u>	<u>28,000</u>	<u>373,000</u>
	<u>\$ 4,935,000</u>	<u>\$ 929,654</u>	<u>\$ 5,864,654</u>

NOTE 8 - LEASES

The District has acquired equipment under the provisions of various lease agreements. The District has various office and computer leases with Jefferson-Lewis BOCES expiring at various times through 2026. For the year ended June 30, 2023, the District had \$ -0- in expenditures under purchase lease agreements and \$26,942 in expenditures under financing lease agreements.

The total amount of lease assets and the related accumulated amortization are as follows:

Total Intangible Right-to-Use Lease Assets	\$ 225,842
Less: Accumulated Amortization	<u>(181,940)</u>
Carrying Value of Lease Assets	<u>\$ 43,902</u>

The following is a summary of the maturity of long-term Lease indebtedness:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ended June 30,			
2024	\$ 26,033	\$ 909	\$ 26,942
2025	11,126	100	11,226
2026	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 37,159</u>	<u>\$ 1,009</u>	<u>\$ 38,168</u>

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9 - INTERFUND BALANCES AND ACTIVITY

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	\$ 645,726	\$ 766	\$ 39,500	\$ 458,040
Special Aid Fund	-	645,721	30,628	-
School Food Service Fund	-	195	-	-
Debt Service Fund	775	-	-	17,500
Capital Fund	-	14	427,412	22,000
Total governmental activities	646,501	646,696	497,540	497,540
Fiduciary Agency Fund	195	-	-	-
Totals	<u>\$ 646,696</u>	<u>\$ 646,696</u>	<u>\$ 497,540</u>	<u>\$ 497,540</u>

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

The General Fund typically subsidizes the special aid funds for short falls in operating revenues and the local share for programs.

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

The General Fund transferred funds to the capital fund to be expended on authorized capital projects.

All interfund payables are expected to be repaid within one year.

NOTE 10 - PENSION PLANS

PLAN DESCRIPTIONS AND BENEFITS PROVIDED

Teachers' Retirement Systems (TRS)

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

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10 - PENSION PLANS

PLAN DESCRIPTIONS AND BENEFITS PROVIDED (continued)

Employees' Retirement Systems (ERS)

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (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 District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Contributions

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

The District contributions made to the Systems were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

	<u>NYSTRS</u>	<u>NYSERS</u>
2022-2023	\$ 340,688	\$ 125,233
2021-2022	\$ 324,198	\$ 157,980
2020-2021	\$ 291,050	\$ 147,511

ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57, and 105.

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10 - PENSION PLANS (continued)

**PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES
AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS**

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	31-Mar-23	30-Jun-22
Net pension asset/(liability)	\$ (799,422)	\$ (358,333)
District's portion of the Plan's total net pension asset/(liability)	0.0037279%	0.018674%
Change in proportion since the prior Measurement date	0.0006175%	0.0006810%

For the year ended June 30, 2023, the District recognized pension expense/(income) of \$313,937 for ERS and the actuarial value of \$446,350 for TRS. At June 30, 2023 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	\$ 85,145	\$ 375,488	\$ 22,451	\$ 7,180
Changes of assumptions	\$ 388,251	\$ 695,106	\$ 4,291	\$ 144,347
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 463,000	\$ 4,697	\$ -
Changes in proportion and differences between the District's contributions and proportionate share of contributions	\$ 78,760	\$ 26,402	\$ 21,535	\$ 75,360
District's contributions subsequent to the measurement date	<u>\$ 42,786</u>	<u>\$ 324,198</u>	<u>\$ -</u>	<u>\$ -</u>
Total	\$ 594,942	\$ 1,884,194	\$ 52,974	\$ 226,887

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10 - PENSION PLANS (continued)

**PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES
AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS**

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

	<u>ERS</u>	<u>TRS</u>
Fiscal year ended June 30,		
2024	\$ 123,714	\$ 262,797
2025	(27,156)	134,931
2026	174,001	(71,150)
2027	228,623	898,189
2028	-	106,706
Thereafter	-	1,636

Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	<u>ERS</u>	<u>TRS</u>
Measurement Date	March 31, 2023	June 30, 2022
Actuarial Valuation Date	April 1, 2022	June 30, 2021
Investment Rate of Return	5.9%	6.95%
Salary Scale	4.4%, indexed by Service	1.95% - 5.18%
Projected COLAs	1.5%	1.3%
Decrement Tables	April 1, 2015-March 31, 2020 System's Experience	July 1, 2015-June 30, 2020 System's Experience
Inflation Rate	2.90%	2.20%

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

For ERS, 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. For TRS, the actuarial assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10 - PENSION PLANS (continued)
Actuarial Assumptions (continued)

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

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

Measurement Date	ERS	
	March 31, 2023	
<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Domestic Equity	32%	4.30%
International Equity	15	6.85
Private Equity	10	7.50
Real Estate	9	4.60
Opportunistic/ARS Portfolio	3	5.38
Credit	4	5.43
Real Asset	3	5.84
Fixed Assets	23	1.50
Cash	1	0.00
	<u>100%</u>	

*Real rates of return are net of a long-term inflation assumption of 2.5%.

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10 - PENSION PLANS (continued)
Actuarial Assumptions (continued)

Measurement Date	TRS	Long-Term Expected Real Rate of Return*
	June 30, 2022	
<u>Asset Type</u>	<u>Target Allocation</u>	
Domestic Equity	33%	6.5%
International Equity	16	7.2
Global Equity	4	6.9
Real Estate Equity	11	6.2
Private Equity	8	9.9
Domestic Fixed Income	16	1.1
Global Bonds	2	0.6
Private Debt	2	5.3
Real Estate Debt	6	2.4
High Yield Bonds	1	3.3
Cash Equivalents	<u>1</u>	(0.3)
Total	<u>100%</u>	

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

DISCOUNT RATE

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

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10 - PENSION PLANS (continued)

SENSITIVITY OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TO THE DISCOUNT RATE ASSUMPTION

The following presents the District's proportionate share of the net pension asset/(liability) as of June 30, 2023 calculated using the discount rate of 5.90% for ERS and 6.95% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage-point lower (4.90% for ERS and 5.95% for TRS) or 1-percentage-point higher (6.90% for ERS and 7.95% for TRS) than the current rate :

	1% Decrease <u>(4.90%)</u>	Current Assumption <u>(5.90%)</u>	1% Increase <u>(6.90%)</u>
ERS			
Employer's proportionate share of the net pension asset (liability)	\$ (1,931,860)	\$ (799,422)	\$ 146,862
	1% Decrease <u>(5.95%)</u>	Current Assumption <u>(6.95%)</u>	1% Increase <u>(7.95%)</u>
TRS			
Employer's proportionate share of the net pension asset (liability)	\$ (3,304,000)	\$ (358,333)	\$ 2,118,953

PENSION PLAN FIDUCIARY NET POSITION

The components of the collective net pension liability of ERS as of March 31, 2023 measurement date were as follows:

Total pension liability	\$ 232,627,259,000
ERS fiduciary net position	<u>(211,183,223,000)</u>
Employers' net pension liability/(asset)	<u>\$ 21,444,036,000</u>
ERS fiduciary net position as a Percentage of total pension liability/(asset)	<u>90.78%</u>

The components of the collective net pension liability of TRS as of June 30, 2022 measurement date were as follows:

Total pension liability	\$ 133,883,473,797
TRS fiduciary net position	<u>(131,964,582,107)</u>
Employers' net pension liability/(asset)	<u>\$ 1,918,891,690</u>
TRS fiduciary net position as a Percentage of total pension liability/(asset)	<u>98.57%</u>

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10 - PENSION PLANS (continued)

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

	ERS	TRS	Total
Measurement Date	March 31, 2023	June 30, 2022	
Employers' total pension liability	\$ 8,672,112	\$ 25,001,400	\$ 33,673,512
Plan Net Position	<u>(7,872,690)</u>	<u>(24,643,067)</u>	<u>(32,515,757)</u>
Employers' net pension (asset) liability	\$ 799,422	\$ 358,333	\$ 1,157,755

Ration of plan net position to the

Employers' total net pension asset/(liability)	90.78%	98.57%	96.56%
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Changes of assumptions about future economic or demographic factors or other inputs are amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits.

Collective pension expense includes certain period changes in the collective net pension asset/(liability), projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense for the year ended June 30, 2023 is \$279,438 for ERS and \$454,643 for TRS.

PAYABLES TO THE PENSION PLAN

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2023 represent the projected employer contributions for the period of April 1, 2023 through June 30, 2023 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2023 amounted to \$42,785.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2023 are paid to the System in September, October, and November 2023 through a state aid intercept. Accrued retirement contributions as of June 30, 2023 represent employee and employer contributions for the fiscal year ended June 30, 2023 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2023 amounted to \$372,795.

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11 - POST-EMPLOYMENT BENEFITS

GENERAL INFORMATION ABOUT THE OPEB PLAN

Plan Description

The District administers a defined benefit OPEB plan that provides OPEB for all permanent full-time general employees of the District. The plan is a single-employer defined benefit OPEB plan (the Plan) administered by Article 11 of the State Compiled Statutes which grants the authority to establish and amend the benefit terms and financing requirements to the District's Board, subject to applicable collective bargaining and employment agreements, and Board of Education policy. The Plan does not issue a separate financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

The obligations of the Plan members and employers are established by action of the District pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreements. Employees are required to reach age 55 and have 3 to 15 years of service to qualify for other post-employment benefits. The District currently funds the Plan to satisfy current obligations on a pay-as-you-go basis.

Benefits Provided

The District provides continuation of medical and/Medicare Part B benefits for certain retirees and their spouses. The benefit terms are dependent on which contract each employee falls under, retirees and their spouses receive benefits for the lifetime of the retired employee. The specifics of each contract are on file at the District offices and are available upon request.

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

Inactive employees or beneficiaries	
currently receiving benefit payments	62
Active Plan Members	<u>95</u>
Total	<u><u>157</u></u>

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11 - POST-EMPLOYMENT BENEFITS (continued)

GENERAL INFORMATION ABOUT THE OPEB PLAN (continued)

Total OPEB Liability

The District's total OPEB liability of \$29,896,157 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2022.

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

Long-Term Bond Rate	3.77%
Single Discount Rate	3.77
Salary Scale	3.0%
Rate of Inflation	2.5%
Marital Assumption	50.00%
Participation Rate	100.00%
Healthcare Cost Trend Rates	6.75% scaling down to 4.5% to ultimate trend rate in 2032 & later

The long-term bond rate is based on an average of three 20-Year bond indices (the Bond Buyer 20-Year Bond GO Index, S&P Municipal Bond 20 Year High Grade Rate Index, and Fidelity GA AA 20 Years Index) as of the measurement date (or the nearest business day thereto).

Mortality rates were based on the Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male & Female Total Dataset Headcount-Weighted Mortality tables using Employee and Healthy Annuitant Tables for both pre and post retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2021.

Rates of turnover and retirement rates are based on the experience under the New York State Employees' Retirement System (ERS) and the New York State Teachers' Retirement System (TRS). The ERS rates are based on the April 1, 2010-March 31, 2015 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020. For TRS, annuitant mortality rates are based on plan member experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021, applied on a generational basis.

Election percentage: It was assumed that 100% of future retirees eligible for coverage will elect retiree group benefits.

Spousal Coverage: It was assumed that 50% of future retirees will elect spousal coverage upon retirement.

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11 - POST-EMPLOYMENT BENEFITS (continued)
GENERAL INFORMATION ABOUT THE OPEB PLAN (continued)

Total OPEB Liability (continued)

The annual rate of increase in healthcare costs developed based on a review of published National trend survey data in relation to the retiree health plan offerings and updated long-term rates based on the Society of Actuaries Long Term Healthcare Cost Trend Models v2018_c (the Getzen model).

The actuarial assumptions used in the July 1, 2022 valuation were consistent with the requirements of GASB Statement No. 75 and the Actuarial Standards of Practice (ASOPs)

CHANGES IN THE TOTAL OPEB LIABILITY FOR THE PERIOD ENDING JUNE 30, 2023

	<u>Total OPEB Liability</u>
Balance at June 30, 2022	\$ 39,103,805
Changes for the year:	
Service cost	759,013
Interest cost	1,458,169
Changes in assumptions or other inputs	(10,573,649)
Benefit payments	<u>(851,181)</u>
Net change in Total OPEB Liability	<u>(9,207,648)</u>
Balance at June 30, 2023	<u>\$ 29,896,157</u>

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 (2.77%) or 1-percentage point higher (4.77%) than the current discount rate:

	1% Decrease <u>(2.77%)</u>	Discount Rate <u>(3.77%)</u>	1% Increase <u>(4.77%)</u>
Total OPEB liability	\$35,575,810	\$29,896,157	\$25,477,103

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate – The following presents the total OPEB liability of the School District, as well as what the District's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rate:

	1% Decrease <u></u>	Current Trend Rates <u></u>	1% Increase <u></u>
Total OPEB liability	\$24,837,340	\$29,896,157	\$36,592,248

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11 - POST-EMPLOYMENT BENEFITS (continued)

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 \$1,204,477.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Changes in assumptions or other inputs	\$ 3,950,332	\$(9,764,320)
Benefit payments subsequent to measurement date	-	-
Total	<u>\$ 3,950,332</u>	<u>\$(9,764,320)</u>

District benefit payments subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

	<u>Amount</u>
Fiscal year ended June 30,	
2024	\$ (831,153)
2025	(462,965)
2026	(388,182)
2027	(654,760)
2028	(1,153,201)
Thereafter	(2,323,727)

NOTE 12 - RISK MANAGEMENT

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

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 12 - RISK MANAGEMENT (continued)

The District participates in the Jefferson-Lewis Et. Al. School Employees' Healthcare Plan, a non-risk-retained public entity risk pool for its employee health and accident insurance coverage. The pool is operated for the benefit of 16 individual governmental units located within the pool's geographic area, and is considered a self-sustaining risk pool that will provide coverage for its members up to \$750,000 per insured event. The pool obtains independent coverage for insured events in excess of the \$750,000 limit, and the District has essentially transferred all related risk to the pool.

The District participates in the Black River Valley Schools Workers' Compensation Plan, 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 \$0.

District employees are entitled to coverage under the New York State Unemployment Insurance Law. The District has elected to discharge its liability to the New York State Unemployment Insurance Fund (the Fund) by the benefit reimbursement method, a dollar-for-dollar reimbursement to the fund for benefits paid from the fund to former employees. The District has established a self-insurance fund to pay these claims. The balance of the fund at June 30, 2023 was \$28,772 and is recorded in the General Fund as an Unemployment Insurance Reserve. In addition, as of June 30, 2023, no loss contingencies existed or were considered probable or estimated for incurred but not reported claims payable.

NOTE 13 - FUND BALANCES

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

NOTE 14 - DONOR-RESTRICTED ENDOWMENTS

The District administers an endowment fund, reported in the miscellaneous revenue fund, which is restricted by the donor. Donor-restricted endowments are reported at fair value. The District authorizes expenditures from donor-restricted endowments in compliance with the wishes expressed by the donor, which varies among the unique endowments administered by the District.

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 15 - COMMITMENTS AND CONTINGENCIES

Grants

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

NOTE 16 - SUBSEQUENT EVENTS

The District has evaluated events and transactions that occurred between June 30, 2023 and October 26, 2023, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

NOTE 17 - TAX ABATEMENTS

The County of Jefferson, enters into various property tax abatement programs for the purpose of economic development. The Industrial Development Agency (the Agency), created by Chapter 565 of the Laws of 1970 of the State of New York pursuant to Title I of Article 18-A of General Municipal Law of the State of New York (collectively "the Act"), has one real property tax abatement agreements with an entity in the District under Section 412-a of the New York State Real Property Tax Law and Section 874 of the Act for the purpose of economic development in the District. Generally, these agreements provide for an abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT) based on the requirements noted in said individual agreements, the PILOT will discontinue as outlined in each agreement. As a result of the tax abatement agreement, for the year ended June 30, 2023, the District's property tax revenues were reduced by \$24,335. The District received payment in Lieu of Tax (PILOT) payments totaling \$12,902.

**BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
SCHEDULES OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND THE REAL PROPERTY TAX LIMIT - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023**

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	\$ 11,668,784
Add: Prior Year's Encumbrances	<u>-</u>
Original Budget	11,668,784
Add: Increases in Appropriations	350,156
Budget Adjustments	
Final Budget	<u><u>\$ 12,018,940</u></u>

Next year's budget is a voter-approved budget of: \$ 12,371,405

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2023-2024 Voter-approved Expenditure Budget	
Maximum Allowed 4% of 2023-2024 Budget	\$ 12,371,405

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

Unrestricted Fund Balance:	
Committed Fund Balance	-
Assigned Fund Balance	890,494
Unassigned Fund Balance	<u>398,906</u>
Total Unrestricted Fund Balance	<u><u>\$ 1,289,400</u></u>

Less:	
Appropriated Fund Balance	600,477
Insurance Recovery Reserve	-
Tax Reduction Reserve	-
Encumbrances Included in Committed and Assigned Fund Balance	<u>290,017</u>
Total Adjustments	<u><u>\$ 890,494</u></u>

General Fund Balance Subject to Section 1318	
Real Property Tax Law	<u><u>\$ 398,906</u></u>

Actual Percentage 3.22%

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) BASIS AND ACTUAL-
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
REVENUES				
Local Sources:				
Real Property Taxes	\$ 5,081,996	\$ 5,081,996	\$ 4,783,527	\$ (298,469)
Other Tax Items	19,080	19,080	304,549	285,469
Charge for Services	1,500	1,500	1,864	364
Use of Money and Property	800	800	3,414	2,614
Sale of Property and Compensation for Loss	-	-	-	-
Miscellaneous	20,000	20,000	150,352	130,352
Total Local Sources	<u>5,123,376</u>	<u>5,123,376</u>	<u>5,243,706</u>	<u>120,330</u>
State Sources	5,787,426	5,787,426	5,751,936	(35,490)
Federal Sources	<u>40,000</u>	<u>40,000</u>	<u>67,074</u>	<u>27,074</u>
Total Revenues	10,950,802	10,950,802	11,062,716	111,914
OTHER FINANCING SOURCES				
Proceeds from Bonds and Leases	-	-	-	-
Transfers from Other Funds	117,500	117,500	39,500	(78,000)
Appropriated Fund Balance	<u>600,482</u>	<u>950,638</u>	<u>-</u>	<u>(950,638)</u>
Total Revenues and Other Financing Sources	<u>\$ 11,668,784</u>	<u>\$ 12,018,940</u>	<u>\$ 11,102,216</u>	<u>\$ (916,724)</u>

See paragraph on supplementary schedules included in auditors' report.

BELLEVILLE HENDERSON CSD
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP) BASIS AND ACTUAL-GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023
(CONTINUED)

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Final Budget Variance with Budgetary Actual and Encumbrances
EXPENDITURES					
General Support:					
Board of Education	\$ 32,142	\$ 32,142	\$ 28,656	\$ -	\$ 3,486
Central Administration	166,831	168,045	167,237	-	808
Finance	206,658	211,144	203,133	-	8,011
Staff	25,150	25,200	21,099	-	4,101
Central Services	1,126,611	1,141,900	1,094,659	964	46,277
Special Items	171,265	167,268	164,724	-	2,544
Total General Support	<u>1,728,657</u>	<u>1,745,699</u>	<u>1,679,508</u>	<u>964</u>	<u>65,227</u>
Instruction:					
Instruction - Administration & Improvement	212,878	204,537	196,017	-	8,520
Teaching - Regular School	2,782,123	2,805,112	2,772,731	-	32,381
Programs for Students with Disabilities	1,285,107	1,224,765	1,090,827	-	133,938
Occupational Education	414,200	436,796	434,456	-	2,340
Teaching - Special Schools	-	-	-	-	-
Instructional Media	122,975	125,885	70,741	-	55,144
Pupil Services	455,174	466,174	436,403	3,431	26,340
Total Instruction	<u>5,272,457</u>	<u>5,263,269</u>	<u>5,001,175</u>	<u>3,431</u>	<u>258,663</u>
Pupil Transportation	853,756	892,711	593,880	285,622	13,209
Community Services	-	-	-	-	-
Employee Benefits	2,664,486	2,617,697	2,330,740	-	286,957
Debt Service	<u>1,024,428</u>	<u>1,024,428</u>	<u>1,053,615</u>	<u>-</u>	<u>(29,187)</u>
Total Expenditures	11,543,784	11,543,804	10,658,918	290,017	594,869
OTHER FINANCING USES					
Transfers To Other Funds	<u>125,000</u>	<u>475,136</u>	<u>458,040</u>	<u>-</u>	<u>17,096</u>
Total Expenditures and Other Uses	<u>\$ 11,668,784</u>	<u>\$ 12,018,940</u>	<u>\$ 11,116,958</u>	<u>\$ 290,017</u>	<u>\$ 611,965</u>
Excess (Deficit) Revenue and Other Sources over Expenditures and Other Uses			(14,742)		
Fund Balance - Beginning of Year			<u>1,846,509</u>		
Fund Balance - End of Year			<u>\$ 1,831,767</u>		

See paragraph on supplementary schedules included in auditors' report.

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
SCHEDULE OF CAPITAL PROJECTS FUND - PROJECT EXPENDITURES AND FINANCING RESOURCES
FOR THE YEAR ENDED JUNE 30, 2023

Project Title	Original Appropriation	Revised Appropriation	Expenditures to Date			Unexpended Balance	Proceeds of Obligations	State Aid	Local Sources	Total	Fund Balance June 30, 2023
			Prior Year	Current Year	Total						
2023 Building Improvements	\$ 4,435,500	\$ 4,435,500	\$ -	\$ 134,186	\$ 134,186	\$ 4,301,314	\$ -	\$ -	\$ 427,412	\$ 427,412	\$ 293,226
Smart Schools Tech Plan	378,728	378,728	335,106	-	335,106	43,622	-	335,106	-	335,106	-
Capital Outlay HVAC #017	100,000	100,000	-	77,276	77,276	22,724	-	-	100,000	100,000	22,724
Total	<u>\$ 4,914,228</u>	<u>\$ 4,914,228</u>	<u>\$ 335,106</u>	<u>\$ 211,462</u>	<u>\$ 546,568</u>	<u>\$ 4,367,660</u>	<u>\$ -</u>	<u>\$ 335,106</u>	<u>\$ 527,412</u>	<u>\$ 862,518</u>	315,950
Less Bond Anticipation Notes outstanding at June 30, 2023											-
Unassigned Fund Balance as of June 30, 2023											<u>\$ 315,950</u>

See paragraph on supplementary schedules included in auditors' report.

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2023

Capital Assets, Net		\$ 18,133,833
Deduct:		
Unamortized Bond Premium	460,443	
Short-term Portion of Bonds Payable	855,000	
Short-term Portion of Lease Payable	26,033	
Long-Term Portion of Bonds Payable	4,080,000	
Long-Term portion of Lease Payable	11,126	
	<hr/>	<hr/>
		5,432,602
Net Investment in Capital Assets		<u><u>\$ 12,701,231</u></u>

See paragraph on supplementary schedules included in auditors' report.

**BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY
AND RELATED RATIOS FOR THE LAST 10 FISCAL YEARS**

	2023	2022	2021	2020	2019	2018
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2018	June 30, 2017
Total OPEB Liability						
Service cost	\$ 759,013	\$ 1,278,334	\$ 1,312,314	\$ 1,017,703	\$ 1,031,095	\$ 1,202,755
Interest	1,458,169	762,061	746,344	874,654	1,015,628	890,616
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total OPEB liability	-	-	-	-	-	-
Changes of assumptions or other inputs	(10,573,649)	1,009,184	4,559,740	1,500,179	(1,037,555)	(3,262,483)
Benefit payments	<u>(851,181)</u>	<u>(816,025)</u>	<u>(672,027)</u>	<u>(647,782)</u>	<u>(655,653)</u>	<u>(606,151)</u>
Net change in total OPEB liability	<u>(9,207,648)</u>	<u>2,233,554</u>	<u>5,946,371</u>	<u>2,744,754</u>	<u>353,515</u>	<u>(1,775,263)</u>
Total OPEB liability - beginning	<u>39,103,805</u>	<u>36,870,251</u>	<u>30,923,880</u>	<u>28,179,126</u>	<u>27,825,611</u>	<u>29,600,874</u>
Total OPEB liability - ending	<u><u>\$ 29,896,157</u></u>	<u><u>\$ 39,103,805</u></u>	<u><u>\$ 36,870,251</u></u>	<u><u>\$ 30,923,880</u></u>	<u><u>\$ 28,179,126</u></u>	<u><u>\$ 27,825,611</u></u>
Covered payroll	<u><u>\$ 4,457,393</u></u>	<u><u>\$ 4,457,393</u></u>	<u><u>\$ 4,066,447</u></u>	<u><u>\$ 4,066,447</u></u>	<u><u>\$ 3,844,109</u></u>	<u><u>\$ 3,896,481</u></u>
Total OPEB liability as a percentage of covered payroll	670.71%	877.28%	906.69%	760.46%	733.05%	714.12%

Changes of Assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The discount rate in effect at the current measurement date is 3.77%.

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

(1) Data not available prior to fiscal year 2018 implementation of Government Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*

* Ratios not provided

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS

New York State Teachers Retirement System (TRS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.018674%	0.017993%	0.017135%	0.016877%	0.016749%	0.017843%	0.018161%	0.017616%	0.016786%
District's proportionate share of the net pension liability (asset)	\$ 358,333	\$ (3,118,066)	\$ 473,479	\$ (438,463)	\$ (302,860)	\$ (135,627)	\$ 194,516	\$ (1,829,737)	\$ (1,869,910)
District's covered-employee payroll	\$ 3,308,144	\$ 3,054,040	\$ 2,908,304	\$ 2,817,030	\$ 2,927,848	\$ 2,964,967	\$ 2,592,127	\$ 2,794,470	\$ 2,495,705
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	10.83%	-102.10%	16.28%	-15.56%	-10.34%	-4.57%	(7.50%)	(65.48%)	(74.93%)
Plan fiduciary net position as a percentage of the total pension liability	98.57%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%

Note - amounts presented for each fiscal year were determined as of the June 30th measurement date as of the prior fiscal year

(1) Data not available prior to fiscal year 2015 implementation of Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

New York State Employees Retirement System (ERS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.0037279%	0.0027336%	0.0031104%	0.0030925%	0.0030330%	0.0024249%	0.0024119%	0.0024657%	0.0029508%
District's proportionate share of the net pension liability (asset)	\$ 799,422	\$ (223,457)	\$ 3,097	\$ 818,913	\$ 214,900	\$ 78,262	\$ 226,624	\$ 395,752	\$ 99,686
District's covered-employee payroll	\$ 1,206,120	\$ 1,042,727	\$ 1,064,079	\$ 979,108	\$ 935,894	\$ 1,115,940	\$ 817,242	\$ 720,294	\$ 841,357
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	66.28%	-21.43%	0.29%	83.64%	22.96%	7.01%	27.73%	54.94%	11.85%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%

Note - amounts presented for each fiscal year were determined as of the March 31st measurement date as of the current fiscal year

(1) Data not available prior to fiscal year 2015 implementation of Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

See paragraph on supplementary schedules included in auditors' report.

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE SHARE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS

New York State Teachers Retirement System (TRS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 324,198	\$ 291,050	\$ 257,676	\$ 299,169	\$ 267,361	\$ 351,911	\$ 389,913	\$ 463,871	\$ 402,939
Contributions in relation to the contractually required contribution	324,198	291,050	257,676	299,169	267,361	351,911	389,913	463,871	402,939
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 3,308,144	\$ 3,054,040	\$ 2,908,304	\$ 2,817,030	\$ 2,927,848	\$ 2,964,967	\$ 2,592,127	\$ 2,794,470	\$ 2,495,705
Contributions as a percentage of covered employee payroll	9.80%	9.53%	8.86%	10.62%	9.13%	11.87%	15.04%	16.60%	16.15%

Note - amounts presented for each fiscal year were determined as of the June 30th measurement date as of the prior fiscal year

(1) Data not available prior to fiscal year 2015 implementation of Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

New York State Employees Retirement System (ERS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 125,233	\$ 157,980	\$ 147,511	\$ 135,994	\$ 160,450	\$ 111,318	\$ 111,058	\$ 98,692	\$ 158,549
Contributions in relation to the contractually required contribution	125,233	157,980	147,511	135,994	160,450	111,318	111,058	98,692	158,549
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 1,206,120	\$ 1,042,727	\$ 1,064,079	\$ 979,108	\$ 935,894	\$ 1,115,940	\$ 817,242	\$ 720,294	\$ 841,357
Contributions as a percentage of covered employee payroll	10.38%	15.15%	13.86%	13.89%	17.14%	9.98%	13.59%	13.70%	18.84%

Note - amounts presented for each fiscal year were determined as of the March 31th measurement date as of the current fiscal year

(1) Data not available prior to fiscal year 2015 implementation of Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

See paragraph on supplementary schedules included in auditors' report.

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

Federal Grantor/ Pass-Through Grantor Program Title	Federal Assistance Listing Number	Pass-through Grantor Number	Expenditures
<u>U.S. Department of Education</u>			
Passed Through New York State			
Department of Education:			
Title I Grants to Local Education Agencies	84.010	0021-23-1180	230,899
Supporting Effective Instruction State Grants	84.367A	0147-23-1180	20,860
Student Support and Academic Enrichment (SSAE) Program	84.424A	0204-23-1180	16,408
COVID-19 Educational Stabilization Fund under the Coronavirus Aid, Act Program Elementary and Secondary School Emergency Relief Round 2	84.425D	5891-21-1180	237,961
COVID-19 American Rescue Plan Elementary and Secondary Schools Emergency Relief Fund (ARP-ESSER)	84.425U	5880-21-1180	351,004
Subtotal			<u>857,132</u>
Special Education-Grants to States (IDEA, Part B)	84.027	0032-23-0319	136,672
Special Education-Preschool Grants (IDEA Preschool)	84.173	0033-23-0319	471
COVID-19 Special Education-Grants to States (IDEA, Part B) ARP	84.027X	5532-22-0319	26,339
COVID-19 Special Education-Preschool Grants (IDEA Preschool) ARP	84.173X	5533-22-0319	846
Total Special Education Cluster			<u>164,328</u>
Total - Passed through New York State Department of Education			<u>1,021,460</u>
Passed Through Fort Drum Regional Full-Service Community Schools Consortium			
Full-Service Community Schools	84.215J	S215J220016	27,950
Total - Passed through Fort Drum Regional Full-Service Community Schools Consortium			<u>27,950</u>
Total - U.S. Department of Education			<u>1,049,410</u>
<u>U.S. Department of Agriculture</u>			
Passed Through NYS Office of General Services			
National School Lunch Program- surplus food	10.555	N/A	22,604
Passed Through New York State			
Department of Education:			
School Breakfast Program	10.553	220909040000	54,952
National School Lunch Program	10.555	220909040000	180,518
Total Child Nutrition Cluster			<u>258,074</u>
COVID-19 Pandemic EBT Administrative Cost	10.649	220909040000	628
Total - U.S. Department of Agriculture			<u>258,702</u>
Total All Federal Programs			<u>\$ 1,308,112</u>

See paragraph on supplementary schedules included in auditors' report.

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Financial Assistance presents the activity of all federal award programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information 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* (the Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Indirect costs may be included in the reported expenditures, to the extent they are included in the federal financial reports used as the source for the data presented. Matching costs (the District's share of certain program costs) are not included in the reported expenditures. The District has not elected to use the 10 percent *de minimis* cost rate as covered in CFR200.414 Indirect (F&A) costs.

NOTE 2 - SUB-RECIPIENTS

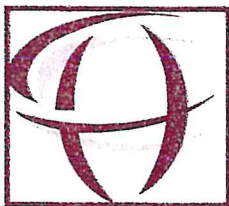
No amounts were provided to sub-recipients.

NOTE 3 - OTHER DISCLOSURES

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

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

Federal awards non-cash assistance of \$22,605 was given from the USDA in the form of surplus food.



Crowley & Halloran, CPAs, P.C.

Certified Public Accountants, Auditors, and Consultants

215 Washington Street, Suite 100, Watertown, NY 13601

Phone: (315) 788-3140 Fax: (315) 782-5321

www.crowleyhalloran.com

Michael W. Crowley, CPA*

Pamela J. Halloran, CPA*

Members of:

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INDEPENDENT AUDITORS' 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

To the Board of Education
Belleville Henderson Central School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Belleville Henderson Central School District, as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise Belleville Henderson Central School District's basic financial statements and have issued our report thereon dated October 26, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Belleville Henderson 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 Belleville Henderson Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Belleville Henderson Central School District's internal control.

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

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



Crowley & Halloran, CPAs, P.C.

Certified Public Accountants, Auditors, and Consultants

**INDEPENDENT AUDITORS' 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
(CONTINUED)**

Report on Compliance and Other Matters

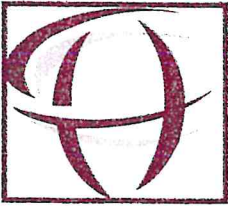
As part of obtaining reasonable assurance about whether Belleville Henderson Central School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowley & Halloran, CPAs, P.C.

Watertown, NY
October 26, 2023



Crowley & Halloran, CPAs, P.C.
Certified Public Accountants, Auditors, and Consultants
215 Washington Street, Suite 100, Watertown, NY 13601
Phone: (315) 788-3140 Fax: (315) 782-5321
www.crowleyhalloran.com

Michael W. Crowley, CPA*
Pamela J. Halloran, CPA*

* Licensed in NY & PA

Members of:
AICPA
NYSSCPA
Government Audit Quality Center
Employee Benefit Plan Audit Quality Center

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE**

To the Board of Education
Belleville Henderson Central School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Belleville Henderson 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 Belleville Henderson Central School District's major federal programs for the year ended June 30, 2023. Belleville Henderson 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, Belleville Henderson 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 Belleville Henderson 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 Belleville Henderson Central School District's compliance with the compliance requirements referred to above.



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE (CONTINUED)**

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 Belleville Henderson 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 Belleville Henderson 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 Belleville Henderson 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 Belleville Henderson 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 Belleville Henderson 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 Belleville Henderson 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.



Crowley & Halloran, CPAs, P.C.

Certified Public Accountants, Auditors, and Consultants

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE (CONTINUED)**

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the 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.

Crowley & Halloran, CPAs, P.C.

Watertown, NY

October 26, 2023

**BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023**

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

1. The auditors' report expresses an unmodified opinion on the general purpose financial statements of Belleville Henderson Central School District.
2. There were no significant deficiencies or material weaknesses were identified during the audit of the general purpose financial statements of Belleville Henderson Central School District.
3. No instances of noncompliance material to the financial statements of Belleville Henderson Central School District were disclosed during the audit.

Federal Awards

1. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs were reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance required by the Uniform Guidance.
2. The auditors' report on compliance for the major federal award programs for Belleville Henderson Central School District expresses an unmodified opinion on all major federal programs.
3. No audit findings relative to the major federal award programs for Belleville Henderson Central School District that are required to be reported in accordance with 2 CFR section 200.516(a) reported in this Schedule.
4. The programs tested as major programs include:

Identification of major programs

CFDA Number(s) Name of Federal Program or Cluster

84.425D	Education Stabilization Fund under the Coronavirus Aid, Relief and Economic Security Act
84.425U	American Rescue Plan Elementary and Secondary Schools Emergency Relief Fund (ARP-ESSER)

5. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
6. Belleville Henderson Central School District was determined to not be a low-risk auditee.

**BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023
(CONTINUED)**

SECTION II - FINANCIAL STATEMENT FINDINGS

COMPLIANCE AND OTHER MATTERS

None noted

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.

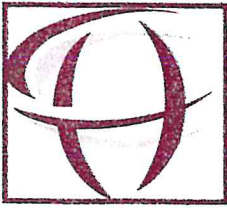
**BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2023**

Finding 2022-001: Adjusting journal entries and required disclosures to the financial statements

Condition: This finding was a material weakness noting adjusting journal entries were required to properly reflect the financial statements in accordance with generally accepted accounting principles.

Recommendation: The auditor recommended that procedures be implemented to review and accept both proposed adjusting journal entries and financial statement note disclosures, along with the draft financial statements.

Current Status: Fully corrected



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www.crowleyhalloran.com

Michael W. Crowley, CPA*
Pamela J. Halloran, CPA*

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INDEPENDENT AUDITORS' REPORT ON THE EXTRACLASSROOM ACTIVITY FUND

To the Board of Education
Belleville Henderson Central School District

Opinions

We have audited the accompanying Statement of Assets, Liabilities and Fund Balance - Cash Basis of the Extraclassroom Activity Fund of Belleville Henderson Central School District as of June 30, 2023, the related Statements of Cash Receipts and Disbursements – Cash Basis, and the related note to the financial statements for the year then ended.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the assets, liabilities, and fund balance – cash basis of the Extraclassroom Activity Fund of the Belleville Henderson Central School District as of June 30, 2023, and its cash receipts and cash disbursements – cash basis for the year then ended on the basis of accounting described in Note 1.

Basis for Opinions

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 Belleville Henderson 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.

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, and for 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.



Crowley & Halloran, CPAs, P.C.

Certified Public Accountants, Auditors, and Consultants

**INDEPENDENT AUDITORS' REPORT ON THE
EXTRACLASSROOM ACTIVITY FUND
(CONTINUED)**

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 Belleville Henderson 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 Belleville Henderson 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.

Crowley & Halloran, CPAs, P.C.

Watertown, NY
October 26, 2023

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUND -
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS
JUNE 30, 2023

ASSETS

Cash	\$ 67,102
Due from Other Funds	<u>195</u>
Total Assets	<u><u>\$ 67,297</u></u>

LIABILITIES AND FUND BALANCE

Liabilities	
Due to Other Funds	<u>\$ -</u>
Total Liabilities	<u>-</u>
Fund Balance	<u>67,297</u>
Total Liabilities and Fund Balance	<u><u>\$ 67,297</u></u>

The accompanying notes are an integral part of these financial statements.

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUND -
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	Cash Balances June 30, 2022	Receipts	Disbursements	Cash Balances June 30, 2023
Class of 2022	\$ 1,854	\$ -	\$ 2,608	\$ (754)
Class of 2023	5,765	17,908	22,713	960
Class of 2024	8,891	10,603	4,293	15,201
Class of 2025	998	1,721	1,381	1,338
Class of 2026	-	6,470	1,892	4,578
Art Club	2,061	592	190	2,463
Business Technology	108	-	-	108
FFA Club	15,348	45,343	46,232	14,459
Library Club	908	6,520	6,214	1,214
Music Club	9,782	25,750	22,112	13,420
Junior Honor Society	3,130	2,322	1,384	4,068
Senior Honor Society	273	1,276	800	749
Student Council	4,124	407	400	4,131
Trap Shooting	1,617	-	-	1,617
Outdoor Club	1,250	50	-	1,300
World Language Club	2,509	3,092	3,000	2,601
Due to NYS Sales Tax	(277)	1,667	1,741	(351)
	<hr/>	<hr/>	<hr/>	<hr/>
Totals	<u>\$ 58,341</u>	<u>\$ 123,721</u>	<u>\$ 114,960</u>	<u>\$ 67,102</u>

The accompanying notes are an integral part of these financial statements.

BELLEVILLE HENDERSON CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUND
NOTE TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The transactions of the Extraclassroom Activity Funds are considered a part of the reporting entity of Belleville Henderson Central School District. The transactions for the year are not included in the combined financial statements of the School District, however the June 30, 2023 cash balances are included in the Fiduciary Fund Statements.

The books and records of Belleville Henderson Central School District's Extraclassroom Activity Funds are maintained on the cash basis of accounting. Under this basis of accounting, revenues are recognized when cash is received and expenditures recognized when cash is disbursed.

The School District's management requires that all activities included in the Extraclassroom Activity Fund meet the criteria for student activities as established by the New York State Education Department.