

**AUDITED  
BASIC FINANCIAL STATEMENTS**

**WEST IRONDEQUOIT CENTRAL SCHOOL  
DISTRICT**  
ROCHESTER, NEW YORK

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**JUNE 30, 2019**

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**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT**  
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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

The President and Members of the  
Board of Education of  
West Irondequoit Central School District  
Rochester, New York

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the West Irondequoit Central School District (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Opinions

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 District, as of June 30, 2019, 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.

## Other Matters

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 the District's internal control over financial reporting and compliance.

*Freed Maxick CPAs, P.C.*

Batavia, New York  
September 24, 2019



## **Management's Discussion and Analysis West Irondequoit Central School District Fiscal Year ended June 30, 2019**

This section of West Irondequoit Central School District's (the District) annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2019. Please read it in conjunction with the District's financial statements, which immediately follow this section.

### **Financial Highlights**

The net position of the District decreased to (\$32,326,831). The net position of the District includes all of the governmental funds and the value of the District's land, buildings, and equipment (net of accumulated depreciation) and long term obligations. At June 30, 2019 unrestricted net position was a deficit of \$99,467,997. Other components of net position were net investment in capital assets of \$56,696,554, net position restricted for capital projects of \$3,066,418 restricted for worker's compensation of \$425,318 restricted for unemployment insurance of \$280,079 restricted for pension liability for \$5,312,054 and restricted for tax certiorari for \$1,361,743.

Other issues of significance for the fiscal year ended June 30, 2019 included:

- The General Fund's (the primary operating fund) fund balance decreased by \$6,820,208
- The governmental activities revenues decreased by approximately \$510,089 (or 6.9%). The total cost of all the District's activities increased by approximately \$664,950 (or 9.0%).
- In 2018 the results of activities produced a deficit net position of \$29,935,553 while in 2019 the net position was a deficit of \$32,326,831.

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

This annual report consists of three parts: management's discussion and analysis (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 District:

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the 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.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

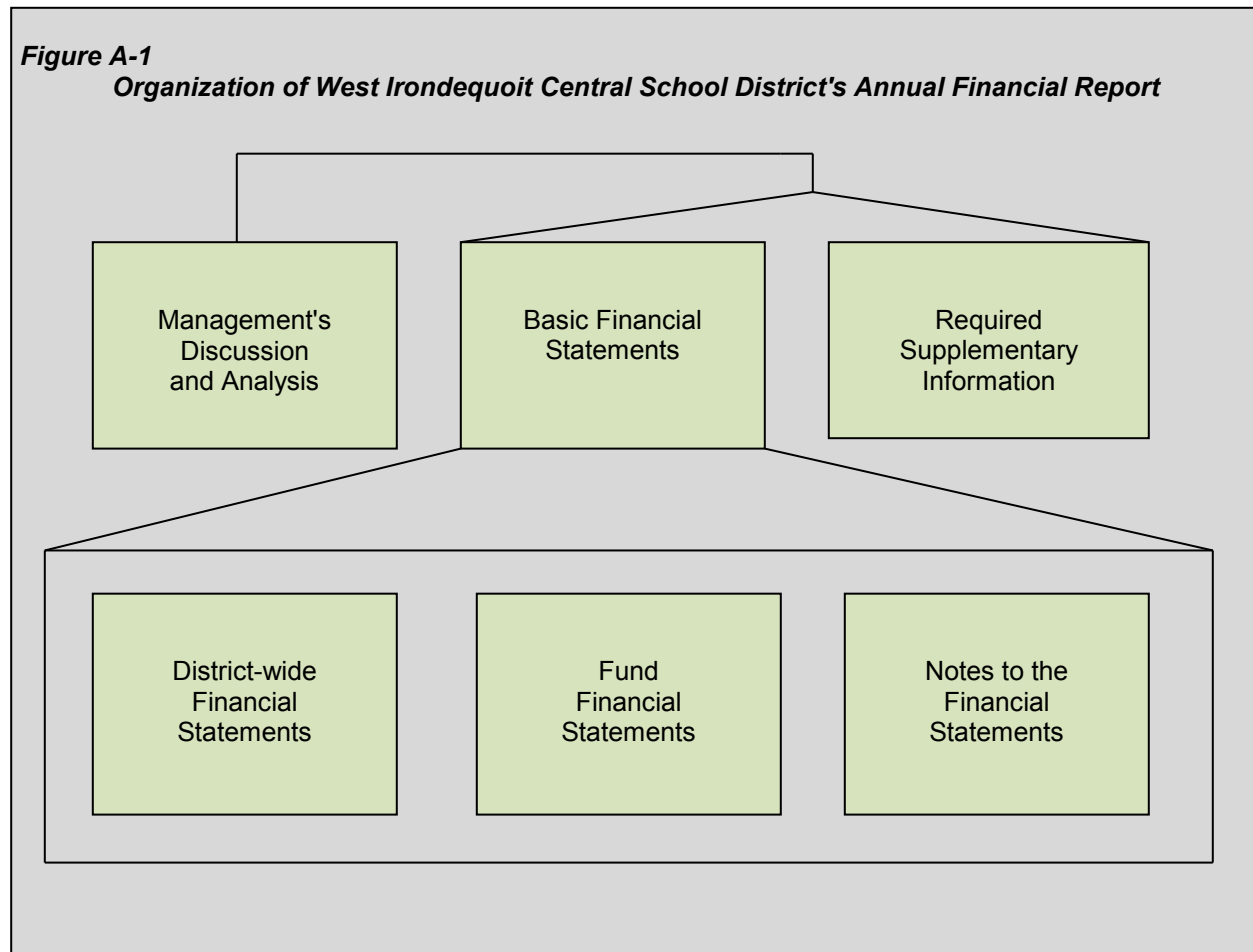


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

**Figure A-2****Major Features of the District-wide and Fund Financial Statements**

		Fund Financial Statements	
	District-wide Statements	Governmental Funds	Fiduciary Funds
Scope	Entire District (except Fiduciary funds)	The activities of the District that are not proprietary or fiduciary	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Net Position – Fiduciary Funds</li> <li>• Statement of Changes in Net Position – Fiduciary Fund</li> </ul>
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, deferred outflows, liabilities, and deferred inflows, both financial and capital, short-term and long-term	Generally assets and deferred outflows expected to be used up and liabilities and deferred inflows, that come due during the year or soon thereafter; generally 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/out-flow information	All revenues and expenditures during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

**District-wide Statements**

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

The two district-wide statements report the District's net position and how they have changed. Net position - the difference between the District's assets and liabilities - is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively. In the current case however, the change in net position is due to the full adoption of GASB-75 rules regarding liabilities associated with retiree health care.
- To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

### **Fund Financial Statements**

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

- Some funds are required by state law.
- The District establishes other funds to control and 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 District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets 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 you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information reported on the Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position explains the relationship (or differences) between them.
- **Fiduciary Funds:** The District is the trustee, or fiduciary, for assets that belong to others, such as scholarship funds and the student activities funds. The 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 District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

### **Financial Analysis of the District as a Whole**

Overall, the District's financial picture remains positive. Due to the volatility of state aid, the District responsibly took a conservative approach to its budgeting. Fortunately, this resulted in favorable budget variances for both revenues and expenditures.

Also, the District monitored the budget tirelessly and attempted to reduce controllable expenses. Keeping an eye on the future, the District also positioned itself to “weather” a continuation of conservative economics through providing funds to offset future tax increases related to future capital expenditures. In addition, the District funds an Employees’ Retirement Reserve from available fund balance to utilize in upcoming budgets, pay a portion of the required ERS contributions, and thereby making additional funds available to pay for full-day kindergarten personnel costs which began in 2018-19. Moving into the new fiscal year the District plans to establish a TRS subfund to begin saving for future required TRS contributions. Finally, as the District has continued to maximize staffing efficiency resulting in limiting personnel costs increases through retirement breakage.

Areas of expense over which the District has little control will most likely dictate the future of this District’s budget. Retirement costs and other employee benefits are likely to increase disproportionately, requiring added revenues or reduction in appropriations in other areas. However by maintaining membership in the local health care consortium, the District has been successful in minimizing annual health insurance increases over the long-term, although there was an above average increase in health premiums in 2018-19, demonstrated by the a very slight increase in medical insurance rates during the 2018-19 calendar year.

Figure A-3

*Condensed Statement of Net Assets  
(in thousands of dollars)*

	Governmental Activities and Total District		Total Percentage Change
	2019	2018	2018-2019
Current and other assets	\$ 31,147	\$ 31,299	-0.48%
Capital assets not being depreciated	3,076	2,584	19.04%
Capital assets, net of accumulated depreciation	67,285	69,674	-3.43%
TRS pension asset	2,846	1,194	138.37%
Total assets	<u>104,354</u>	<u>104,751</u>	<u>-0.38%</u>
Deferred outflow of resources - Pension	16,044	17,697	-9.34%
Deferred outflow of resources - OPEB	13,604	14,774	-7.92%
	<u>29,648</u>	<u>32,471</u>	<u>-8.69%</u>
Current liabilities	6,271	5,624	11.50%
Long term liabilities	<u>134,312</u>	<u>150,013</u>	<u>-10.47%</u>
Total liabilities	<u>140,583</u>	<u>155,637</u>	<u>-9.67%</u>
Deferred inflow of resources - Pension	4,243	5,532	-23.30%
Deferred inflow of resources - OPEB	<u>21,503</u>	<u>5,989</u>	<u>259.04%</u>
	<u>25,746</u>	<u>11,521</u>	<u>123.47%</u>
Invested in capital assets, net of related debt	56,696	56,552	0.25%
Restricted for:			
Capital projects	3,066	8,765	-65.02%
Workers' compensation	425	420	1.27%
Retirement	5,312	5,827	-8.84%
Tax certioari	1,362	1,518	-10.29%
Unemployment insurance	280	287	-2.41%
Unrestricted (deficit)	<u>(99,468)</u>	<u>(103,305)</u>	<u>-3.71%</u>
Total net assets	<u>\$ (32,327)</u>	<u>\$ (29,936)</u>	<u>7.99%</u>

Figure A-4

*Changes in Net Position  
(in thousands of dollars)*

	Governmental Activities and Total District		Total Percentage Change
	2019	2018	2018-2019
<b>Revenues:</b>			
Real property taxes	\$ 39,070	\$ 38,231	2.19%
Real property tax items	145	112	29.82%
Non-property tax items	3,445	3,393	1.54%
Charges for services	321	253	26.94%
Use of money and property	389	309	25.95%
Sale of property and compensation for loss	30	24	26.64%
Other miscellaneous revenues	1,203	980	22.71%
State and federal aid	28,462	30,322	-6.14%
School lunch	626	589	6.33%
Total revenues	<u>73,691</u>	<u>74,213</u>	<u>-0.70%</u>
<b>Expenses:</b>			
General support	11,452	14,096	-18.76%
Instruction	57,000	76,669	-25.65%
Pupil transportation	3,043	2,881	5.64%
Debt service - interest	579	754	-23.26%
School lunch	1,351	1,291	4.63%
Culture and recreation	93	53	74.55%
Depreciation	2,566	2,595	-1.13%
Total expenses	<u>76,083</u>	<u>98,339</u>	<u>-22.63%</u>
Changes in net positions	<u>\$ (2,391)</u>	<u>\$ (24,126)</u>	<u>-90.09%</u>

## Governmental Activities

This section presents the cost of six major District activities: general support, instruction, pupil transportation, debt service and school lunch. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions.

The total cost and net cost of services related to debt service in 2018-19 continues to decrease steadily from 2017-18 due to benefits of prior refinancing of existing debt thereby lowering the debt service payment. Cost increases in the area of transportation via contractual bus service tied to CPI helped maintain moderate cost increases. In addition, an intermunicipal agreement for some bussing services with a neighboring district has yielded increased efficiencies through a shared service model. This resulted in an continued cost control of contractual transportation costs. However some of these cost containment measures were off-set by additional services required for students with disabilities. There was decrease in the cost of instruction that was driven by changes in our OPEB (post-retirement) actuarial analysis. Beyond those, cost increases due to contractual agreements as well as costs associated with the requisite hiring of teachers and support staff in order to successfully implement the programmatic change contributed to the increase in net costs of services in the area of instruction and general support.

**Figure A-5**

<b>Net Cost of Governmental Activities (in thousands of dollars)</b>						
	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2019	2018	2018-2019	2019	2018	2018-2019
General support	\$ 11,452	\$ 14,096	-18.76%	\$ 11,141	\$ 13,843	-19.52%
Instruction	57,000	76,669	-25.65%	34,427	54,951	-37.35%
Pupil transportation	3,043	2,881	5.64%	1,199	1,173	2.21%
Debt service - interest	579	754	-23.26%	579	754	-23.26%
School lunch	1,351	1,291	4.63%	31	43	-28.05%
Culture and recreation	93	53	74.55%	93	53	74.55%
Depreciation	2,566	2,595	-1.13%	2,566	2,595	-1.13%
Total	<u>\$ 76,083</u>	<u>\$ 98,339</u>	<u>-22.63%</u>	<u>\$ 50,035</u>	<u>\$ 73,412</u>	<u>-31.84%</u>

## Financial Analysis of The District's Funds

### General Fund

Expenditures exceeded revenues in the General Fund, resulting in a decrease of fund balance of \$6,820,208 for the year ended June 30, 2019. This decrease was expected as \$6,000,000 and \$500,000 were moved to the Capital Fund for the Renewal and BOCES projects.

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

- Revenue
  - Nonproperty tax – The recovering economy resulting in greater sales tax revenue than was anticipated.
  - Urban-suburban state aid – Although not part of the state aid runs used in revenue projections for the year, the District's continued participation provides significant revenue to assist with the overall program.
  - Miscellaneous revenue – This is most tied to unanticipated refunds from the BOCES budget.



- Expenditures
  - Curriculum, Instruction and Inservice – Tighter budget controls, and maximization of grants that were reported in the special aid fund.
  - Contracted Transportation – The District continues to control costs through increases tied to a low CPI.
  - Employee Benefits – By participating in a county-wide health and workers compensation consortiums, the District continues to keep cost increases well below the “community” average.

### **School Lunch Fund**

The issue of net cost related to school lunch is related to approved state and federal aid, SED approved contract renewal percentages, menu pricing and student participation. Operations of the school lunch program for 2018-19 year ended with a small surplus of \$8,819. Maintaining a break-even level represents a focus over several years to eliminate an annual operating deficit in the fund that, in the past, had occurred repeatedly. The two largest challenges this fund faces are changes in the rules governing the the charging of food being served to students (“lunch shaming”) and therefore revenue as well as continued state required wage increase which impacts salary expenses. Our goal is to maintain this break-even position moving forward.

### **Capital Projects Fund**

The capital fund has some activity during 2018-19. \$100,000 was tied to a capital outlay project focused on replacing the boiler at the Sproule Field House. An additional \$491,202 was connected to expenses tied to planning/preparation for the Renewal Project that will occur between July 2019 and December 2020.

### **General Fund Budgetary Highlights**

A conservative approach to the budget process was again taken for the 2018-19 school year due to the volatility of the economy and the uncertainty of state aid revenue due to cut backs to reduce the NYS deficit. Cautious budget administration continued to be practiced to protect against revenue cuts by pulling back on certain expenditures and programs. Actual State Aid was nearly on par with what was budgeted resulting in a slight excess of \$76,804.

In addition, due to close and conservative monitoring of controllable expenses the District had the ability to control its reliance of reserve funds and fund balance. Although fund balance use was budgeted for the 2018-19 school year, it use was minimized with the exception of funds moved to the Capital Fund for the Renewal Project. The District recognizes the need to continue to maintain minimal reduction in the reserves and reliance of fund balance as a revenue source and is looking to achieve a “steady-state” so that the change in fund balance in any fiscal year is approximately zero. By extending the “life” of these reserves the available reserves will assist with budgeting in future years and will assist in reducing the local share and providing taxpayer relief.

**Figure A-6**

**Revenues, Expenditures and Changes in Fund  
Balances - Governmental Major Funds**  
(in thousands of dollars)

	2019		Fund Balances
	Revenues	Expenditures	
General Fund	\$ 70,003	\$ 76,823	\$ 17,344
Special Aid Fund	2,062	2,062	-
Capital Projects Fund	6,600	592	6,008
	2018		Fund Balances
	Revenues	Expenditures	
General Fund	\$ 70,491	\$ 70,111	\$ 24,164
Special Aid Fund	2,004	2,667	-

**Capital Asset and Debt Administration**

There is an overall decrease in the valuation of the assets due to normal depreciation. Financing for the various competed projects continues to be paid through debt service with the consolidation of the debts ending in June 2027.

**Figure A-7**

**Capital Assets Net of Depreciation**  
(in thousands of dollars)

	Governmental Activities and Total District		Percentage Change
	2019	2018	2018-2019
Land	\$ 2,485	\$ 2,485	0.00%
Construction in process	591	99	495.95%
Buildings and improvements	66,749	69,112	-3.42%
Vehicles and equipment	535	562	-4.76%
Total	<u>\$ 70,360</u>	<u>\$ 72,258</u>	<u>-2.63%</u>

## Long-Term Debt

In 2017, the District implemented the provisions of GASB Statement No. 75 *Accounting and Reporting by Employers for Post Employment Benefits Other than Pensions*. GASB Statement No. 75 required the recording of a liability for current and future retirees and their spouses for post employment health insurance. As of June 30, 2019, the most recent actuarial valuation, the total actuarial accrued liability for post-employment benefits was \$119 million dollars.

**Figure A-8**

**Outstanding Long-Term Debt**  
(in thousands of dollars)

	Governmental Activities and Total District		Percentage Change
	2019	2018	2018-2019
Serial bonds payable	\$ 13,665	\$ 15,706	-12.99%
Pension - ERS	1,322	619	113.51%
Post employment benefits	119,325	133,688	-10.74%
	<u>\$ 134,312</u>	<u>\$ 150,013</u>	<u>-10.47%</u>

### Factors Bearing on the District's Future

- Challenges posed to local sources of revenue due to the continuation of the property tax cap. Due to the small growth of the economy and assessed property values in the District, the District continues to be limited in the amount of revenue it can generate locally.
- Impact on the tax rate due to the continued reduction of taxable assessments. Although the District continues to control costs to maintain one of the lowest per pupil, expenditure rates in the County, the tax rate remains high due to the lack of assessment growth in the Town.
- Use of reserves as a revenue to bridge the gap in state aid remains an important part of future budgeting strategies. The amount used will be closely monitored in order to ensure this strategy is sustainable.
- Continued addition of unfunded federal and state mandates.
- Continued increases in health care costs and retirement contributions well in excess of inflation.

### Contacting the District's Financial Management

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

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**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

**ASSETS**

Cash and cash equivalents	\$ 26,714,135
Receivables	140,345
State and federal aid receivable	1,189,439
Due from other governments	2,086,544
Inventory	42,355
Prepaid items	974,437
Net pension asset	2,846,175
Capital assets not being depreciated	3,075,880
Capital assets, net of accumulated depreciation	<u>67,284,523</u>
Total assets	<u>104,353,833</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred pension outflows	16,043,629
Deferred postemployment outflows	<u>13,604,472</u>
Total deferred outflows of resources	<u>29,648,101</u>

**LIABILITIES**

Accounts payable	753,966
Accrued liabilities	1,009,686
Accrued interest payable	26,279
Due to retirement systems	3,387,044
Due to other governments	1,506
Due to fiduciary funds	996,071
Unearned revenue	96,023
Long-term liabilities:	
Due and payable within one year	2,105,873
Due and payable after one year:	<u>132,206,115</u>
Total liabilities	<u>140,582,563</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred pension inflows	4,243,003
Deferred postemployment inflows	<u>21,503,199</u>
Total deferred inflows of resources	<u>25,746,202</u>

**NET POSITION (DEFICIT)**

Net investment in capital assets	56,695,554
Restricted for:	
Capital projects	3,066,418
Workers' compensation	425,318
Retirement contribution	5,312,054
Tax certiorari	1,361,743
Unemployment insurance	280,079
Unrestricted (deficit)	<u>(99,467,997)</u>
Total net position (deficit)	<u>\$ (32,326,831)</u>

See notes to basic financial statements.

**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Functions/Programs	Expenses	Indirect Cost Allocation	Program Revenues		Net (Expense) Revenues and Changes in Net Position
			Charges for Services	Operating Grants and Contributions	
Governmental activities					
General support	\$ 9,216,180	\$ 2,235,385	\$ 310,751	\$ -	\$ (11,140,814)
Instruction	39,665,037	17,335,086	10,396	22,562,382	(34,427,345)
Pupil transportation	3,016,921	26,469	-	1,844,508	(1,198,882)
Interest	578,631	-	-	-	(578,631)
School lunch	1,350,828	-	626,287	693,602	(30,939)
Culture and recreation	58,876	33,636	-	-	(92,512)
Unallocated employee benefits	19,630,576	(19,630,576)	-	-	-
Unallocated depreciation	2,565,617	-	-	-	(2,565,617)
Total governmental activities	\$ 76,082,666	\$ -	\$ 947,434	\$ 25,100,492	(50,034,740)
General revenues:					
Real property taxes					39,069,538
Real property tax items					145,397
Non-property taxes					3,445,131
Use of money and property					389,176
Sale of property and compensation for loss					30,394
State and federal aid not restricted for a specific purpose					3,361,230
Other miscellaneous revenues					1,202,596
Total general revenues and transfers					47,643,462
Change in net position					(2,391,278)
Net position - beginning of year					(29,935,553)
Net position - end of year					\$ (32,326,831)

See notes to basic financial statements.

**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2019**

	<b>General</b>	<b>Special Aid</b>	<b>Capital Projects</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 19,548,410	\$ 19,337	\$ 5,538,357	\$ 1,608,031	\$ 26,714,135
Receivables	91,717	-	-	48,628	140,345
Due from other funds	441,727	-	500,000	-	941,727
State and federal aid receivable	720,028	416,485	-	52,926	1,189,439
Due from other governments	2,086,544	-	-	-	2,086,544
Inventory	6,851	-	-	35,504	42,355
Prepaid items	966,575	-	-	7,862	974,437
Total assets	<u>\$ 23,861,852</u>	<u>\$ 435,822</u>	<u>\$ 6,038,357</u>	<u>\$ 1,752,951</u>	<u>\$ 32,088,982</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 690,362	\$ 21,729	\$ 17,097	\$ 24,778	\$ 753,966
Accrued liabilities	953,707	16,169	-	39,810	1,009,686
Due to other funds	1,496,071	389,807	12,462	39,458	1,937,798
Due to retirement systems	3,368,086	-	-	18,958	3,387,044
Due to other governments	246	-	-	1,260	1,506
Unearned revenue	9,214	8,117	-	78,692	96,023
Total liabilities	<u>6,517,686</u>	<u>435,822</u>	<u>29,559</u>	<u>202,956</u>	<u>7,186,023</u>

See notes to basic financial statements.

**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**JUNE 30, 2019 (Continued)**

	<u>General</u>	<u>Special Aid</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>FUND BALANCES</b>					
Nonspendable	973,426	-	-	43,366	1,016,792
Restricted	10,445,612	-	-	-	10,445,612
Assigned	2,957,897	-	6,008,798	1,506,629	10,473,324
Unassigned	2,967,231	-	-	-	2,967,231
Total fund balances	<u>17,344,166</u>	<u>-</u>	<u>6,008,798</u>	<u>1,549,995</u>	<u>24,902,959</u>
Total liabilities and fund balances	\$ <u>23,861,852</u>	\$ <u>435,822</u>	\$ <u>6,038,357</u>	\$ <u>1,752,951</u>	

Amounts reported for governmental activities in the Statement of Net Position (page 14) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation

70,360,403

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Serial bonds payable

(13,565,000)

Premium amortization payable

(99,849)

Net postemployment benefits

(119,325,125)

Net pension asset/(liabilities)

1,524,161

Deferred outflows and inflows are not assets or liabilities of the current period and therefore are not reported in the funds:

Net postemployment deferred outflows and inflows of resources

(7,898,727)

Net pension deferred outflows and inflows of resources

11,800,626

Interest is accrued and reported in the district-wide Statement of Net Position but not on the fund basis Balance Sheet because it is not due and payable in the current period.

(26,279)

Net position of governmental activities

\$ (32,326,831)

See notes to basic financial statements.



**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>General</u>	<u>Special Aid</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Real property taxes	\$ 39,069,538	\$ -	\$ -	\$ -	\$ 39,069,538
Real property tax items	145,397	-	-	-	145,397
Nonproperty taxes	3,445,131	-	-	-	3,445,131
Charges for services	321,147	-	-	-	321,147
Use of money and property	386,926	-	-	2,250	389,176
Sale of property and compensation for loss	41,683	-	-	-	41,683
Miscellaneous local sources	574,219	31,758	-	596,619	1,202,596
State sources	25,734,305	484,129	-	22,239	26,240,673
Federal sources	283,737	1,265,949	-	671,363	2,221,049
School lunch	-	-	-	626,287	626,287
Total revenues	<u>70,002,083</u>	<u>1,781,836</u>	<u>-</u>	<u>1,918,758</u>	<u>73,702,677</u>
<b>EXPENDITURES</b>					
Current:					
General support	9,248,359	-	-	-	9,248,359
Instruction	37,239,119	1,832,275	-	509,010	39,580,404
Pupil transportation	2,859,679	157,242	-	-	3,016,921
School lunch	-	-	-	1,350,828	1,350,828
Culture and recreation	58,876	-	-	-	58,876
Employee benefits	17,893,856	72,376	-	68,207	18,034,439
Debt service:					
Principal	2,035,000	-	-	-	2,035,000
Interest	585,405	-	-	-	585,405
Capital Outlay:					
General support	-	-	91,000	-	91,000
Instruction	-	-	500,202	-	500,202
Total expenditures	<u>69,920,294</u>	<u>2,061,893</u>	<u>591,202</u>	<u>1,928,045</u>	<u>74,501,434</u>

See notes to basic financial statements.

**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019 (Continued)**

	<u>General</u>	<u>Special Aid</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Excess (deficit) of revenues over expenditures	81,789	(280,057)	(591,202)	(9,287)	(798,757)
<b>OTHER FINANCING SOURCES (USES)</b>					
Interfund transfers in	796	280,057	6,600,000	22,736	6,903,589
Interfund transfers out	<u>(6,902,793)</u>	<u>-</u>	<u>(796)</u>	<u>-</u>	<u>(6,903,589)</u>
Total other financing sources (uses)	<u>(6,901,997)</u>	<u>280,057</u>	<u>6,599,204</u>	<u>22,736</u>	<u>-</u>
Net change in fund balances	(6,820,208)	-	6,008,002	13,449	(798,757)
Fund balances - beginning	<u>24,164,374</u>	<u>-</u>	<u>796</u>	<u>1,536,546</u>	<u>25,701,716</u>
Fund balances - ending	<u>\$ 17,344,166</u>	<u>\$ -</u>	<u>\$ 6,008,798</u>	<u>\$ 1,549,995</u>	<u>\$ 24,902,959</u>

See notes to basic financial statements.

**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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Amounts reported for governmental activities in the Statement of Activities (page 15) are different because:

Net change in fund balances - total governmental funds (page 19)	\$ (798,757)
Governmental funds report capital outlays as expenditures. However in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation (\$2,565,617) exceeded total capital outlays (\$778,535) excluding construction in process placed in service (\$99,204) in the current period.	(1,886,286)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trades) is to decrease net position.	(11,289)
The governmental funds report bond proceeds and other long-term debt as an other financing source, while repayment of bond principal is reported as an expenditure. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the Statement of Activities, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of these differences is as follows:	
Repayment of serial bonds	2,035,000
Amortization of debt premium	5,873
Interest expense	901
Change in proportionate share of net pension asset (liability) and OPEB reported in the Statement of Net Position does not provide for or require the use of current financial resources and therefore is not reported as revenues or expenditures in the governmental funds.	
Net pension - proportionate share - TRS	1,652,029
Net pension - proportionate share - ERS	(702,839)
Total OPEB liability	14,362,642
Change in proportionate share of net pension and OPEB deferred inflows and outflows reported in the Statement of Net Position during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems and OPEB subsequent to the measurement date do not provide for or require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	
Net pension - proportionate share - TRS	(1,033,919)
Net pension - proportionate share - ERS	669,980
Total OPEB liability	(16,684,613)
Change in net position of governmental activities	\$ <u>(2,391,278)</u>

See notes to basic financial statements.

**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION - FIDUCIARY FUNDS**  
**JUNE 30, 2019**

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	<b>Private Purpose Trust</b>	<b>Agency</b>
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	\$ 3,095
Cash and cash equivalents - restricted	235,574	132,039
Due from other funds	<u>-</u>	<u>996,071</u>
Total assets	<u>235,574</u>	<u>\$ 1,131,205</u>
<b>LIABILITIES</b>		
Agency liabilities	-	\$ 999,166
Extraclassroom activity balances	<u>-</u>	<u>132,039</u>
Total liabilities	<u>-</u>	<u>\$ 1,131,205</u>
<b>NET POSITION</b>		
Restricted	<u>\$ 235,574</u>	

See notes to basic financial statements.

**WEST IRONDQUOIT CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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	<b>Private Purpose Trust</b>
	<hr/>
<b>ADDITIONS</b>	
Interest	\$ 122
Gifts and donations	<hr/> 1,500
Total additions	1,622
<b>DEDUCTIONS</b>	
Scholarships	<hr/> 10,730
Total deductions	<hr/> 10,730
Change in net position	(9,108)
Net position - beginning	<hr/> 244,682
Net position - ending	\$ <hr/> <hr/> 235,574

See notes to basic financial statements.

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**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. REPORTING ENTITY**

The District is governed by the Education Law and other laws of the State of New York. The District is an independent entity governed by an elected Board of Education. 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 are primarily accountable for all fiscal matters.

The scope of activities included within the accompanying financial statements are those transactions which comprise District operations and are governed by, or significantly influenced by, the Board of Education. Essentially, the primary function of the District is to provide education for pupils. Services such as transportation of pupils, administration, finance, and plant maintenance support the primary function. The financial reporting entity includes all funds, account groups, functions and organizations over which the District officials exercise oversight responsibility.

The reporting entity of the District is based upon criteria set forth by GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 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. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief description of certain entities included in the District's reporting entity.

**1. INCLUDED IN THE REPORTING ENTITY**

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

**2. JOINT VENTURE**

The District is a component school district of the Board of Cooperative Educational Services First Supervisory District of Monroe County (BOCES). The BOCES is a voluntary cooperative association of school districts in a geographic area that share planning, services and programs which provide educational and support activities.

## WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT NOTES TO BASIC FINANCIAL STATEMENTS

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BOCES is organized under Section 1950 of NYS 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 Section 1950 of New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (Section 1950(6)). In addition, BOCES Boards are also considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section 119-n(a) of New York State General Municipal Law.

A BOCES budget is comprised of separate budgets for administrative, program and capital costs. Each component school district's share of administrative and capital costs is determined by resident public school district enrollment as defined in Education Law Section 1950 (4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate. During the year ended June 30, 2019, the District was billed \$7,617,821 for BOCES administrative and program costs. Financial statements for the BOCES are available from the BOCES administrative office at 41 O'Connor Road, Fairport, New York 14450.

### B. BASIS OF PRESENTATION

#### 1. DISTRICT-WIDE STATEMENTS:

While separate district-wide and fund financial statements are presented, they are interrelated. 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 District 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 property taxes, State aid, intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants include specific operating and discretionary (either operating or capital) grants.

The Statement of Net Position presents the financial position of the District at fiscal year-end. 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. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

#### 2. FUND FINANCIAL STATEMENTS:

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

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 Aid Fund: This fund accounts for the proceeds received from Federal and State grants that are restricted for specific educational programs.

Capital Projects Fund: This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.



## WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT

### NOTES TO BASIC FINANCIAL STATEMENTS

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Additionally, the District reports the following fund types:

Fiduciary Funds: These funds are used to account for fiduciary activities. Fiduciary activities are those in which the District acts as trustee or agent for resources that are the property of others. These activities are not included in the district-wide financial statements, because their resources are not the property of the District, and are not available to be used. There are two classes of fiduciary funds:

Private Purpose Trust Funds: These funds are used to account for trust arrangements in which principal and income benefits annual third party awards and scholarships for students. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits from these trust arrangements.

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

During the course of operations the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the district-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the district-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included.

#### C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The 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 the timing of related cash flows. Nonexchange 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. Property taxes are 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 similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within one year of the end of the current fiscal period with the exception of property taxes, which the period of availability is sixty days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in the governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

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Property taxes and sales taxes associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues in the current year. Real property taxes are levied annually by the Board of Education no later than September 1. Taxes are collected during the period of September through November. Uncollected real property taxes are subsequently enforced by the County of Monroe, in which the District is located. Uncollected real property taxes transmitted to the County for enforcement are paid by the County to the District no later than the forthcoming April 1.

Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within one year of year end).

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within one year of year end). All other revenue items are considered to be measurable and available only when cash is received by the District.

The Agency Fund has no measurement focus but utilized the accrual basis of accounting for reporting its assets and liabilities.

**D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE**

**1. CASH AND CASH EQUIVALENTS**

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

**2. RESTRICTED ASSETS**

Certain assets are classified on the Balance Sheet and Statement of Net Position as restricted because their use is limited. Donations to be used towards scholarships in the Private Purpose Trust Fund and funds supporting extraclassroom activities in the Agency Fund, are restricted specifically for those purposes. Certain proceeds from serial bonds and bond anticipation notes, as well as resources set aside for their repayment, are classified as restricted assets in the district-wide financial statements and their use is limited by applicable bond covenants.

**3. RECEIVABLES**

Receivables are carried at their net realizable value. Receivables are written-off as uncollectible after the likelihood of payment is considered remote by management. Generally accepted accounting principles require the establishment of an allowance for uncollectible receivables, however, no allowance for uncollectible receivables has been provided since management believes that such allowance would not be material.

**4. INVENTORY AND PREPAID ITEMS**

Certain 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. The cost of prepaid items are recorded as expenditures/expenses when consumed rather than when purchased.

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

These assets are classified as nonspendable to signify that portion of fund balance that is not in a spendable form.

**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

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**5. INTERFUND TRANSACTIONS**

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

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

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

Refer to Note 3.H for a detailed disclosure by individual fund for inter-fund receivables, payables, expenditures, and revenues activity.

**6. CAPITAL ASSETS**

Capital assets, which include property and equipment are reported in the district-wide financial statements.

Capital assets are reported at actual cost for acquisitions subsequent to June 30, 2004. For assets acquired prior to June 30, 2004, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair value at the time received. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life.

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 50,000	straight-line	40 years
Building improvements	50,000	straight-line	40 years
Site improvements	50,000	straight-line	15 years
Vehicles	25,000	straight-line	10 years
Furniture and equipment	5,000	straight-line	5 years

**7. INSURANCE**

The District insures against liability for most risks including, but not limited to, property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated.

**8. DEFERRED OUTFLOWS/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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

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The District has two items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. It represents the effect of the net change in the District's proportion of the collective net pension (asset)/liability, the difference during the measurement period between the District's contributions and its proportional share of total contributions to the pension systems not included in pension expense and any contributions to the pension systems subsequent to the measurement date. See details of deferred pension outflows in Note 3.E. The second item is related to Other Postemployment Benefits (OPEB) reported in the district-wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience. See details of deferred OPEB outflows in Note 3.F.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. It represents the effect of the net change in the District's proportion of the collective net pension (asset)/liability and difference during the measurement periods between the District's contributions and its proportional share of total contributions to the pension systems not included in pension expense. See details of deferred pension inflows in Note 3.E. The second item is related to OPEB, reported in the district-wide Statement of Net Position. This represents the net effect of the changes of assumptions or other inputs. See details of deferred OPEB other postemployment benefits inflows in Note 3.F.

**9. UNEARNED REVENUE**

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

**10. ACCRUED LIABILITIES AND LONG-TERM LIABILITIES**

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

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

Premiums received upon the issuance of debt are included as other financing sources in the governmental fund statements when issued. In the district-wide statements, premiums are recognized with the related debt issue and amortized on a straight-line basis as a component of interest expense over the life of the related obligation.

**11. POSTEMPLOYMENT BENEFITS/OTHER BENEFITS**

In addition to providing pension benefits, the District provides postemployment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement. The obligation of the District and its retirees to contribute to the cost of providing these benefits has been established pursuant to Board resolution and various collective bargaining agreements. Payments are budgeted annually without accrual and are based on the pay-as-you go method (see Note 3.F).

## WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT

### NOTES TO BASIC FINANCIAL STATEMENTS

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#### 12. NET POSITION FLOW ASSUMPTION

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

It is the District's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

#### 13. FUND BALANCE FLOW ASSUMPTIONS

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

It is the District's policy that the District Board of Education will assess the current financial condition of the District and then determines the order of application of expenditures to which fund balance classifications will be charged.

#### 14. FUND BALANCE POLICIES

Fund balance of the District's funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board of Education has by resolution authorized the Assistant Superintendent for Finance to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

#### F. PROGRAM REVENUES

Amounts reported as *program revenues* include 1) charges to tax payers or others who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes and other internally dedicated resources are reported as general revenues rather than as program revenues.

#### G. USE OF 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 amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

## WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT NOTES TO BASIC FINANCIAL STATEMENTS

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### H. ACCOUNTING PRONOUNCEMENTS

During the fiscal year ended June 30, 2019, the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 83, *Certain Asset Retirement Obligations* and Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements*.

The District has evaluated Statements No. 83 and 88 and have determined that they have no impact on the District's operations in the current year.

The GASB has issued the following new pronouncements:

- Statement No. 84, *Fiduciary Activities*, which will be effective for the year ending June 30, 2020.
- Statement No. 87, *Leases*, which will be effective for the year ending June 30, 2021.
- Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, which will be effective for the year ending June 30, 2021.
- Statement No. 90, *Majority Equity Interests-an Amendment of GASB Statements No. 14 and 61*, which will be effective for the year ending June 30, 2020.
- Statement No. 91, *Conduit Debt Obligations*, which will be effective for the year ending June 30, 2022.

The District is currently reviewing these statements and plans on adoption, as required.

## **NOTE 2 - STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY**

### LEGAL COMPLIANCE BUDGETS

#### BUDGET POLICIES

The District's administration prepares a proposed budget for approval by the Board of Education for the general fund. The proposed appropriation budget is then approved by the voters within the District. Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

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

## **NOTE 3 - DETAIL NOTES ON ALL ACTIVITIES AND FUNDS**

### A. DEPOSITS AND INVESTMENTS

The District's investment policies are governed by State statutes. In addition, the District has its own written investment policy. The District funds must be deposited in FDIC insured commercial banks or trust companies located within the State. Permissible investments include demand accounts and certificates of deposit, obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand deposits, time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies, obligations of New York State and its municipalities and school districts, and 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 organization.

**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

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The District's aggregate bank balances were fully collateralized at June 30, 2019.

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute or contract to be reserved for various purposes. Restricted cash as of year end includes \$132,039 within the Agency Fund restricted for extraclassroom activities, \$235,574 in the Private Purpose Trust Fund restricted for scholarships.

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 Assistant Superintendent for Finance 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 102% of the aggregate amount of deposits. The District restricts the securities to the following eligible items:

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

**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**B. RECEIVABLES**

State and federal aid receivable, consist of the following at June 30, 2019:

General Fund	
State aid - excess cost aid	\$ 720,028
	<u>\$ 720,028</u>
Special Aid Fund	
State awards	\$ 283,522
Federal awards	132,963
	<u>\$ 416,485</u>
School Lunch Fund	
State awards	\$ 1,894
Federal awards	51,032
	<u>\$ 52,926</u>

Due from other governments, consist of the following at June 30, 2019:

<u>General Fund</u>	
State aid - BOCES aid	\$ 1,282,544
Sales tax	804,000
	<u>\$ 2,086,544</u>

**C. CAPITAL ASSETS**

Capital asset balances and activity for the year ended June 30, 2019, were as follows:

**Governmental Activities:**

	Balance 07/01/18	Increases	Decreases	Balance 06/30/19
<u>Capital assets not being depreciated:</u>				
Land	\$ 2,484,678	\$ -	\$ -	\$ 2,484,678
Construction work in progress	99,204	591,202	99,204	591,202
Total capital assets not being depreciated	<u>2,583,882</u>	<u>591,202</u>	<u>99,204</u>	<u>3,075,880</u>
<u>Capital assets being depreciated:</u>				
Buildings and improvements	102,829,867	99,204	-	102,929,071
Vehicles & equipment	2,266,888	88,129	279,617	2,075,400
Total capital assets, being depreciated	<u>105,096,755</u>	<u>187,333</u>	<u>279,617</u>	<u>105,004,471</u>
<u>Less accumulated depreciation:</u>				
Buildings and improvements	33,717,840	2,462,014	-	36,179,854
Vehicles & equipment	1,704,819	103,603	268,328	1,540,094
Total accumulated depreciation	<u>35,422,659</u>	<u>2,565,617</u>	<u>268,328</u>	<u>37,719,948</u>
Total capital assets being depreciated, net	<u>69,674,096</u>	<u>(2,378,284)</u>	<u>11,289</u>	<u>67,284,523</u>
Governmental activities capital assets, net	<u>\$ 72,257,978</u>	<u>\$ (1,787,082)</u>	<u>\$ 110,493</u>	<u>\$ 70,360,403</u>

Depreciation has not been allocated to the individual functions of the District operation as no allocation methodology has been established.



**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

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**D. ACCRUED LIABILITIES**

Accrued liabilities reported by the District at June 30, 2019, were as follows:

	General Fund
Salary and employee benefits	\$ 472,552
Accrued vacation	481,155
Total accrued liabilities	<u>\$ 953,707</u>

**E. PENSION OBLIGATIONS**

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

Provisions and Administration

The TRS System provides retirement benefits as well as, death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10 member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The System's financial statements are prepared using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable, and investments are recognized at fair value. TRS issues a publicly available financial report that contains financial statements and required supplementary information. 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 NYSTRS Comprehensive Annual Financial report which can be found on the System's website at [www.nystrs.org](http://www.nystrs.org).

The ERS 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. The System's financial statements are prepared using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable, and investments are recognized at fair value. ERS issues a publicly available financial report that contains financial statements and required supplementary information. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

Funding Policies

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

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

At June 30, 2019, the District reported the following amount for its proportionate share of the net pension (asset)/liability for each of the Systems. The net pension (asset)/liability was measured as of June 30, 2018, for TRS and March 31, 2019, for ERS. The total pension amount used to calculate the net pension (asset)/liability was determined by an actuarial valuation. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the TRS and ERS Systems in reports provided to the District.

	<u>TRS</u>	<u>ERS</u>
Measurement date	June 30, 2018	March 31, 2019
Net pension (asset)/liability	\$ (2,846,175)	\$ 1,322,014
District's portion of the Plan's total net pension liability	0.157398%	0.018659%
Change in proportion since the prior measurement date	0.000294	0.000527

For the year ended June 30, 2019, the District recognized pension expense of \$2,164,489 for TRS and \$917,970 for ERS, respectively. At June 30, 2019, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions arose from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>
Differences between expected and actual experience	\$ 2,126,924	\$ 260,332	\$ 385,269	\$ 88,744
Change of assumptions	9,949,251	332,300	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	3,159,472	339,302
Changes in proportion and differences between the District's contributions and proportionate share of contributions	20,028	227,678	221,557	48,659
Districts's contributions subsequent to the measurement date	<u>2,878,183</u>	<u>248,933</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 14,974,386</u>	<u>\$ 1,069,243</u>	<u>\$ 3,766,298</u>	<u>\$ 476,705</u>

**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>TRS</u>	<u>ERS</u>
Year ended:		
2020	\$ 2,806,889	\$ 330,944
2021	1,890,969	(203,116)
2022	158,338	21,150
2023	1,884,264	194,627
2024	1,286,751	-
Thereafter	302,694	-

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>TRS</u>	<u>ERS</u>
Measurement date	June 30, 2018	March 31, 2019
Actuarial valuation date	June 30, 2017	April 1, 2018
Interest rate	7.25%	7.00%
Salary scale	1.90% - 4.72%	4.20%
Decrement tables	July 1, 2009 June 30, 2014 System's Experience	April 1, 2010 March 31, 2015 System's Experience
Inflation rate	2.25%	2.50%
Cost of living adjustments	1.50%	1.30%

For TRS, the actuarial assumptions used in the June 30, 2018 valuation are based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014. For ERS, the actuarial assumptions used in the April 1, 2018 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

For TRS, annuitant mortality rates are based on July 1, 2009 – June 30, 2014 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP 2014. For ERS, annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.

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

**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

Measurement Date	Target Allocation		Long-Term Expected Real Rate of Return	
			June 30, 2018	May 31, 2019
	TRS	ERS	TRS	ERS
<b><u>Asset Class:</u></b>				
Domestic equity	33.0 %	36.0 %	5.8 %	4.6 %
International equity	16.0	14.0	7.3	6.4
Private equity	8.0	10.0	8.9	7.5
Real estate	11.0	10.0	4.9	5.6
Global equities	4.0	-	6.7	-
Absolute return strategies	-	2.0	-	3.8
Opportunistic portfolio	-	3.0	-	5.7
Real assets	-	3.0	-	5.3
Bond and mortgages	7.0	17.0	2.8	1.3
Cash/short term	1.0	1.0	0.3	-0.3
Inflation-indexed bonds	-	4.0	-	1.3
Domestic fixed income securities	16.0	-	1.3	-
Global fixed income securities	2.0	-	0.9	-
Private debt	1.0	-	6.8	-
High yield income securities	1.0	-	3.5	-
Total	100.0 %	100.0 %		

**Discount Rate**

The discount rate used to calculate the total pension liability was 7.25% for TRS and 7.0% for ERS. 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 liability.

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

The following tables present the District's proportionate share of the net pension liability calculated using the discount rate of 7.25% for TRS and 7.0% for ERS, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25% for TRS and 6.0% for ERS) or 1-percentage point higher (8.25% for TRS and 8.0% for ERS) than the current rate:

	1% Decrease (6.25%)	Current Assumption (7.25%)	1% Increase (8.25%)
<b><u>TRS</u></b>			
Employer's proportionate share of the net pension (asset)/liability	\$ 19,553,690	\$ (2,846,175)	\$ (21,611,038)
	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
<b><u>ERS</u></b>			
Employer's proportionate share of the net pension (asset)/liability	\$ 5,780,058	\$ 1,322,014	\$ (2,423,059)

**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

Pension Plan Fiduciary Net Position

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

	(Dollars in Thousands)	
	TRS	ERS
Measurement date	June 30, 2018	March 31, 2019
Employers' total pension liability	\$ 118,107,254	\$ 189,803,429
Plan net position	119,915,518	182,718,124
Employers' net pension (asset)/ liability	\$ (1,808,264)	\$ 7,085,305
Ratio of plan net position to the employers' total pension (asset)/liability	101.5%	96.3%

Payables to the Pension Plan

For TRS, employer and employee contributions for the fiscal year ended June 30, 2019, are paid to the System in September, October and November 2019 through a state aid intercept. Accrued retirement contributions as of June 30, 2019, represent employee and employer contributions for the fiscal year ended June 30, 2019, based on paid TRS wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2019, amounted to \$3,124,578.

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Accrued retirement contributions as of June 30, 2018 represent the projected employer contribution for the period of April 1, 2019, through June 30, 2019, based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2019, amounted to \$248,933.

**F. OTHER POSTEMPLOYMENT BENEFITS OBLIGATIONS (OPEB)**

Plan Description

The West Irondequoit Central School District administers the West Irondequoit Central School District Retiree Medical, Prescription Vision and Dental Plan (the Plan) as a single-employer defined benefit Other Postemployment Benefit Plan (OPEB). The Plan provides for continuation of medical, prescription vision and dental benefits for certain retirees and their spouses and can be amended by action of the District subject to applicable collective bargaining and employment agreements. The Plan does not issue a standalone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

Funding Policy

The obligations of the Plan members, employers and other entities are established by action of the District pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members vary depending on the applicable agreement.

The employer currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the Plan are paid by the District.

Employees Covered by Benefit Terms

As of June 30, 2019, the following employees were covered by the benefit terms:

Active employees, not eligible to retire	494
Active employees, eligible to retire	72
Retired employees and surviving spouses currently receiving benefit payments	490
Total	1,056

**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

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The District's total OPEB liability of \$119,325,125 was measured as of April 1, 2019, and was determined by an actuarial valuation as of June 30, 2019.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.20%
Salary Increases	3.36%, average, including inflation
Discount Rate	3.44%
Healthcare Cost Trend Rates	5.20% as of 2019, with an ultimate rate of 4.32% for 2051 and later years
Retirees' Share of Benefit-Related Costs	100% of future retirees eligible for an employer subsidy.

The discount rate was based on the Fidelity Mutual General Obligation AA 20 year Bond rate as of the measurement date.

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables, Headcount-Weighted, distinct for Teachers, General and Safety, without separate Contingent Survivor mortality, fully generational using Scale MP-2018.

The actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2018 – June 30, 2019.

Changes in the Total OPEB Liability

Balance at July 1, 2018	\$ 133,687,767
<u>Changes for the year:</u>	
Service cost	3,249,341
Interest	4,816,337
Changes of benefit terms	752,245
Differences between expected and actual experience	(20,298,058)
Changes in assumptions or other inputs	638,058
Benefit payments	(3,520,565)
Net changes	<u>(14,362,642)</u>
Balance at June 30, 2019	<u>\$ 119,325,125</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.61 percent in 2018 to 3.44 percent in 2019 and changes in the Morality Improvement Scale.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following present 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 (2.44 %) or 1 percentage point higher (4.44%) than the current discount rate.

**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

	1% Decrease (2.44%)	Discount Rate (3.44%)	1% Increase (4.44%)
Total OPEB Liability	\$ 142,070,404	\$ 119,325,125	\$ 101,585,785

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (3.32%) or 1 percentage point higher (5.32%) than the current healthcare cost trend rate:

	1% Decrease (4.20% decreasing to 3.32%)	Healthcare Cost Trend Rates (5.20% decreasing to 4.32%)	1% Increase (6.20% decreasing to 5.32%)
Total OPEB Liability	\$ 98,910,423	\$ 119,325,125	\$ 148,721,302

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the District recognized OPEB expense of \$6,040,996. At June 30, 2019, the District reported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,558,176	\$ 16,069,296
Changes of assumptions	2,166,155	5,433,903
Contributions subsequent to the measurement date	880,141	-
Total	\$ 13,604,472	\$ 21,503,199

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

Fiscal Year Ended June 30,	Amount
2020	\$ (2,776,927)
2021	(2,776,927)
2022	(3,036,360)
2023	(2,822,549)
2024	454,119
Thereafter	2,179,776

**G. LONG-TERM LIABILITIES**

**1. GENERAL OBLIGATION BONDS**

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District.

**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

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

**2. SERIAL BONDS**

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

The following is a summary of maturities of indebtedness:

<u>Description</u>	<u>Original Issue Date</u>	<u>Original Borrowing</u>	<u>Final Maturity</u>	<u>Interest Rates to Maturity</u>	<u>Outstanding Balance 6/30/2019</u>
Governmental activities					
Serial bonds	7/23/2002	\$ 2,050,000	4/15/2027	\$ 2.50-5.00%	340,000
Pool Excel Project	6/22/2009	2,892,487	6/15/2024	2.50-4.00%	1,140,000
Refunding	12/29/2010	27,455,000	6/15/2025	2.00-5.00%	7,330,000
Promise Project	6/27/2016	5,610,000	6/15/2036	2.32%	4,755,000
					<u>\$ 13,565,000</u>

**3. OTHER LONG-TERM LIABILITIES**

In addition to the above long-term debt, the District had a non-current liability for pensions (Note 3.E) and other postemployment benefits (See Note 3.F.).

**4. CHANGES IN LONG-TERM LIABILITIES**

Changes in the District's long-term liabilities for the year ended June 30, 2019, are as follows:

	<u>Balance 7/1/2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/2019</u>	<u>Due Within One Year</u>
Government activities:					
Bonds Payable:					
Serial Bonds	\$ 15,600,000	\$ -	\$ 2,035,000	\$ 13,565,000	\$ 2,100,000
Unamortized premium	105,722	-	5,873	99,849	5,873
Total bonds payable	<u>15,705,722</u>	<u>-</u>	<u>2,040,873</u>	<u>13,664,849</u>	<u>2,105,873</u>
Other liabilities					
Net pension liabilities					
(ERS) - proportionate share**	619,175	702,839	-	1,322,014	-
Total OPEB liability	<u>133,687,767</u>	<u>9,455,981</u>	<u>23,818,623</u>	<u>119,325,125</u>	<u>-</u>
Total long-term liabilities	<u>\$ 150,012,664</u>	<u>\$ 10,158,820</u>	<u>\$ 25,859,496</u>	<u>\$ 134,311,988</u>	<u>\$ 2,105,873</u>

\*\*Additions to net pension liabilities proportionate are presented net of reductions.

The General Fund has typically been used to liquidate long-term liabilities such as postemployment benefit obligations.



**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

The following is a summary of maturing debt service requirements for the District's serial bonds:

Fiscal Year	Principal	Interest	Premium
2020	2,100,000	501,250	5,873
2021	2,185,000	406,300	5,873
2022	2,285,000	307,350	5,873
2023	2,355,000	221,150	5,873
2024	1,130,000	132,250	5,873
2025-2029	1,725,000	378,800	29,367
2030-2034	1,305,000	180,450	29,367
2035-2036	480,000	21,600	11,750
Total	<u>\$ 13,565,000</u>	<u>\$ 2,149,150</u>	<u>\$ 99,849</u>

As of June 30, 2019, the District had \$3,625,382 of authorized but unissued serial bonds.

**H. INTERFUND ACTIVITY**

Interfund activity at June 30, 2019, are as follows:

	Interfund Receivables	Interfund Payables	Interfund Revenues	Interfund Expenditures
General Fund	\$ 441,727	\$ 1,496,071	\$ 796	\$ 6,902,793
Capital Projects Fund	500,000	12,462	6,600,000	796
Special Aid Fund	-	389,807	280,057	-
Miscellaneous Special Revenue Fund	-	39,458	-	-
School Lunch Fund	-	-	22,736	-
Agency Fund	996,071	-	-	-
Total	<u>\$ 1,937,798</u>	<u>\$ 1,937,798</u>	<u>\$ 6,903,589</u>	<u>\$ 6,903,589</u>

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

Interfund receivables and payables were incurred primarily due to salaries paid by General Fund on behalf of the Special Aid Fund, amounts due to the Capital Projects Fund from General Fund for the BOCES capital project and amounts due to the Trust and Agency Fund from the General Fund to fund HRA benefits. The majority of the interfund revenues and expenses were transfers from the General Fund to fund the Renewal and BOCES Capital Projects, School Lunch for uncollectable student balances, and Special Aid Fund for the local share of summer school handicap program costs.

**I. NET POSITION AND FUND BALANCE**

**1. NET POSITION**

The district-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

Net investment in capital assets – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and debt used to fund capital asset purchases reduce the balance in this category.

Restricted net position – This category presents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Restricted net position is consistent with restricted fund balance at June 30, 2019.

Unrestricted net position – This category represents net position of the District not restricted for any project or other purpose.

**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**2. FUND BALANCE**

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

*Nonspendable* – represents amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balances maintained by District at June 30, 2019, include:

- *Prepaid items* – represents miscellaneous items that are applicable to future accounting periods. This balance is nonspendable as the asset does not represent an available resource.
- *Inventory* – represents nonspendable inventory in the school lunch fund and school store.

*Restricted* – represents amounts with constraints placed on the use of resources and are either externally imposed by creditors, grantors, contributors, laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

*Committed* – represents amounts that are subject to a purpose constraint imposed by a formal action of the District's highest level of decision-making authority, the Board of Education. As of June 30, 2019, the Board had no committed fund balances.

*Assigned* – represents amounts that are constrained by the District's intent to be used for the specified purposes noted below, but are neither restricted nor committed.

- *Assigned to subsequent year's expenditure* – Represents available fund balance being appropriated to meet expenditure requirements in the 2020 fiscal year.
- *Assigned to specific use* – Represents fund balance within the special revenue funds that are assigned for a specific purpose. The assignment's purpose related to each fund's operations and represents amounts within funds that are not restricted or committed.

*Unassigned* – represents all amounts not included in other spendable classifications. The General fund is the only fund that would report a positive amount in unassigned fund balance. Residual deficit amounts of other governmental funds would also be reported as unassigned.

As of June 30, 2019, fund balances were classified as follows:

	General	Capital Projects	Nonmajor Funds	Total
<u><i>Nonspendable</i></u>				
Inventory	\$ 6,851	\$ -	\$ 35,504	\$ 42,355
Prepaid items	966,575	-	7,862	974,437
<u><i>Restricted:</i></u>				
Capital	3,066,418	-	-	3,066,418
Retirement contribution	5,312,054	-	-	5,312,054
Tax certiorari	1,361,743	-	-	1,361,743
Unemployment insurance	280,079	-	-	280,079
Workers' compensation	425,318	-	-	425,318
<u><i>Assigned:</i></u>				
Subsequent years' expenditures	2,326,777	-	-	2,326,777
Debt service	-	-	827,460	827,460
Capital	-	6,008,798	-	6,008,798
Miscellaneous Special Aid	-	-	675,783	675,783
School Lunch	-	-	3,386	3,386
<u><i>Encumbrances:</i></u>				
General support	324,150	-	-	324,150
Instruction	306,679	-	-	306,679
Transportation	291	-	-	291
<u><i>Unassigned:</i></u>				
General	2,967,231	-	-	2,967,231
<b>Total</b>	<b>\$ 17,344,166</b>	<b>\$ 6,008,798</b>	<b>\$ 1,549,995</b>	<b>\$ 24,902,959</b>

**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

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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. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

**NOTE 4 - RISK MANAGEMENT**

**A. WORKERS' COMPENSATION PLAN**

The District incurs costs related to the Rochester Area School Workers' Compensation Plan (the Plan) sponsored by the Board of Cooperative Educational Services, Second Supervisory District of Monroe and Orleans Counties and its component districts. The Plan's objectives are to furnish workers' compensation benefits to participating districts at a significant cost savings. Membership in the Plan may be offered to any component district of Monroe #1 and Monroe #2 BOCES with the approval of the Board of Directors. Voluntary withdrawal from the Plan may be effective only once annually on the last day of the Plan year as may be established by the Board of Directors. Notice of Intention to Withdraw must be given in writing to the Chairman of the Board of Directors and the Treasurer not less than one year prior to the end of the Plan year.

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

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

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported.

Adjustments to claims liabilities are charged or credited to expenses in the periods in which they are made. During the year ended June 30, 2019, the District incurred premiums or contribution expenditures totaling \$331,664.

The Plan is audited on an annual basis and is available at the BOCES administrative offices. The most recent audit available for the year ended June 30, 2018, indicated that the Plan was fully funded.

**B. HEALTH INSURANCE PLAN**

The District incurs costs related to the Rochester Area School Health Plan (Plan I and Plan II) sponsored by the Board of Cooperative Educational Services, Second Supervisory District of Monroe and Orleans Counties and its component districts. The Plans objectives are to formulate, develop and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Membership in the Plans may be offered to any component district of the Monroe #1 and Monroe #2 BOCES with the unanimous approval of the Board of Directors. Voluntary withdrawal from the Plans may be effective only once annually on the last day of the Plans year as may be established by the Board of Directors. Notice of Intention to Withdraw must be given in writing to the Chairman of the Board of Directors and the Treasurer not less than thirty days prior to the end of the Plans' year. Plan members bear an equal proportionate share of the Plans assets and claim liabilities.

**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

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Pursuant to the Municipal Cooperative Agreement the Plans are a risk sharing pool and all monies paid to the Treasurer shall be pooled and administered as a common fund. No refunds shall be made to a participant and no assessments are charged to a participant other than the annual premium equivalent. If surplus funds exist at the end of the fiscal year, the distribution of such funds shall be determined by the Board of Directors.

PLAN I

This Plan's members include seventeen districts and two BOCES with the District and BOCES bearing an equal proportionate share of the Plan's assets and claim liabilities.

The Plan purchases, on an annual basis, stop-loss insurance policies to limit its exposure for claims paid within any one fiscal year.

This Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expenses in the periods in which they are made.

The Plan is audited on an annual basis and is available at the BOCES administrative offices. The most recent audit available for the year ended June 30, 2018, indicated that the Plan was fully funded.

PLAN II

This Plan's members include eighteen districts with the BOCES bearing an equal proportionate share of the Plan's assets and claim liabilities. The Plan was established as a Municipal Cooperative under the authorization of Article 5-G of the General Municipal Law In 2004. The plan received a Certificate of Authority to operate as a self-funded plan under Article 47 of the New York State Insurance Law, effective January 1, 2018.

The Plan arrangement includes a pooling point to limit its exposure. The pooling point provides additional protection in the form of an experience credit in the subsequent year.

The insurer will determine whether there is a deficit or a surplus for the Plan year. If a deficit occurs in a Plan year, the Insurer will fund payment of the deficit. If there is a surplus in the Plan year, the surplus may not be applied to off-set a deficit in a subsequent Plan year or Plan years. If a surplus occurs in a Plan year that follows the year in which a deficit occurred, the surplus may be applied to fund the deficit.

Any medical claims expenses that are not paid by the Insurer (either with Plan money representing the net premium or with the Insurer's money if a deficit occurred) during the term of the agreement with the insurer, will be the financial responsibility of the Plan. If the Insurer is processing medical claims expenses during part or all of the 12-month period referred to above, it will pay those medical claims expenses provided that the Plan provides adequate funding for the medical claims expenses.

The administrative services that will be provided by the Insurer during the 12-month period referred to above will be provided for an additional charge determined by first dividing the Insurer administrative fee paid in the last Plan year by the total of the medical claims expenses paid during the last Plan year to determine an administrative cost percentage (the "Admin Percentage"). Then, for each medical claims expense paid during the subsequent 12-month period, the Plan will pay the Insurer an additional charge determined by multiplying the amount of the medical claims expense by the admin percentage.

The Plan is audited on an annual basis and is available at the BOCES administrative offices. The most recent audit available for the year ended June 30, 2018, indicated that the Plan was fully funded.

**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS**

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**NOTE 5 - COMMITMENTS AND CONTINGENCIES**

**A. GRANT AWARDS**

The District participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the District's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the District anticipates such amounts, if any, will be immaterial.

**B. ENCUMBRANCES**

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year-end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were \$631,120 recorded in the General Fund.

**NOTE 6 - TAX ABATEMENTS**

The County of Monroe Industrial Development Agency created by Chapter 55 of the Laws of 1972 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 four real property tax abatement agreements with various businesses 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 a 100 percent abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT) based on the requirements noted in said individual agreements. Should the property owner not comply with the policies and laws as set forth in each agreement, the PILOT will discontinue as outlined in each agreement.

As a result of these tax abatement agreements, for the year ended June 30, 2019, the District's total tax revenues were reduced by \$26,856.

Copies of the agreements may be obtained from the West Irondequoit Central School District, 321 List Avenue, Rochester, NY 14617.

**NOTE 7 – SUBSEQUENT EVENTS**

These financial statements have not been updated for subsequent events occurring after September 24, 2019, which is the date these financial statements were available to be issued.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET (NON-GAAP BASIS)**  
**AND ACTUAL GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Current Year's Revenues</u>	<u>Over (Under) Amended Budget</u>
<b>REVENUES</b>				
Local sources:				
Real property taxes	\$ 39,136,194	\$ 39,136,194	\$ 39,069,538	\$ (66,656)
Real property tax items	119,500	119,500	145,397	25,897
Nonproperty taxes	3,150,000	3,150,000	3,445,131	295,131
Charges for services	170,000	170,000	321,147	151,147
Use of money and property	260,192	260,192	386,926	126,734
Sale of property and compensation for loss	-	-	41,683	41,683
Miscellaneous local sources	350,000	350,000	574,219	224,219
State sources:				
Basic formula	22,342,208	22,342,208	22,382,176	39,968
BOCES	2,947,985	2,947,985	2,863,649	(84,336)
Other	367,308	367,308	488,480	121,172
Federal sources	<u>170,000</u>	<u>170,000</u>	<u>283,737</u>	<u>113,737</u>
Total revenues	69,013,387	69,013,387	70,002,083	988,696
Other sources:				
Interfund transfers in	-	-	796	796
Appropriated fund balance	<u>3,358,186</u>	<u>10,580,280</u>	<u>-</u>	<u>(10,580,280)</u>
Total revenues and other sources	<u>\$ 72,371,573</u>	<u>\$ 79,593,667</u>	<u>\$ 70,002,879</u>	<u>\$ (9,590,788)</u>

**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET (NON-GAAP BASIS)**  
**AND ACTUAL GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019 (Continued)**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Current Year's Expenditures</u>	<u>Encumbrances</u>	<u>Unencumbered Balances</u>
<b>EXPENDITURES</b>					
General support:					
Board of education	\$ 73,540	\$ 101,284	\$ 94,455	\$ 814	\$ 6,015
Central administration	303,351	304,919	299,518	1,263	4,138
Finance	648,381	700,326	681,319	-	19,007
Staff	558,308	586,600	547,507	175	38,918
Central services	6,910,974	7,404,839	6,650,378	321,898	432,563
Special items	990,645	1,011,645	975,182	-	36,463
Instruction:					
Instruction, administration and improvements	2,869,990	2,985,442	2,800,378	7,709	177,355
Teaching - regular school	17,400,333	17,443,043	17,045,907	102,710	294,426
Programs for children with handicaps	10,095,120	10,042,204	9,824,828	12,914	204,462
Instructional media	3,082,495	3,718,252	3,273,798	178,409	266,045
Pupil services	4,557,431	4,486,086	4,294,208	4,937	186,941
Pupil transportation	2,869,435	2,958,703	2,859,679	291	98,733
Culture and recreation	54,475	58,975	58,876	-	99
Employee benefits	19,116,690	18,450,944	17,893,856	-	557,088
Debt service - principal	2,035,000	2,035,000	2,035,000	-	-
Debt service interest	585,405	585,405	585,405	-	-
Total expenditures	<u>72,151,573</u>	<u>72,873,667</u>	<u>69,920,294</u>	<u>631,120</u>	<u>2,322,253</u>
Other uses:					
Interfund transfers out	<u>220,000</u>	<u>6,720,000</u>	<u>6,902,793</u>	<u>-</u>	<u>(182,793)</u>
Total expenditures and other uses	<u>\$ 72,371,573</u>	<u>\$ 79,593,667</u>	<u>76,823,087</u>	<u>\$ 631,120</u>	<u>\$ 2,139,460</u>
Net change in fund balance			<u>\$ (6,820,208)</u>		

**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET) LIABILITY-  
EMPLOYEES' AND TEACHERS' RETIREMENT SYSTEM  
LAST FIVE FISCAL YEARS**

	Year Ended June 30,				
	2015	2016	2017	2018	2019
<b>Teachers' Retirement System (TRS)</b>					
Measurement date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
District's proportion of the net pension (asset) liability	0.152321%	0.152598%	0.155398%	0.157104%	0.157398%
District's proportionate share of the net pension (asset) liability	\$ <u>(16,967,660)</u>	\$ <u>(15,850,017)</u>	\$ <u>1,664,374</u>	\$ <u>(1,194,146)</u>	\$ <u>(2,846,175)</u>
District's covered payroll	\$ 23,303,844	\$ 22,922,213	\$ 25,007,462	\$ 25,948,020	\$ 26,642,741
District's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	-72.8%	-69.1%	6.7%	-4.6%	-10.7%
Plan fiduciary net position as a percentage of the total pension (asset) liability	-111.5%	-110.5%	99.1%	-100.7%	-101.5%
<b>Employees' Retirement System (ERS)</b>					
Measurement date	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018	March 31, 2019
District's proportion of the net pension liability	0.021352%	0.019903%	0.018801%	0.019185%	0.018659%
District's proportionate share of the net pension liability	\$ <u>721,332</u>	\$ <u>3,194,409</u>	\$ <u>1,766,605</u>	\$ <u>619,175</u>	\$ <u>1,322,014</u>
District's covered payroll	\$ 5,516,910	\$ 5,582,893	\$ 6,053,728	\$ 5,857,655	\$ 5,918,380
District's proportionate share of the net pension liability as a percentage of its covered payroll	13.1%	57.2%	29.2%	10.6%	22.3%
Plan fiduciary net position as a percentage of the total pension liability	97.9%	90.7%	94.7%	98.2%	96.3%

\* This schedule is intended to show information for ten years. Since 2015 was the first year for this presentation, ten years of data is not available. Additional years will be included as they become available.

**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS - EMPLOYEES' AND TEACHERS' RETIREMENT SYSTEM**  
**LAST TEN FISCAL YEARS**  
**FOR THE YEAR ENDED JUNE 30,**

	<b>TEACHERS' RETIREMENT SYSTEM</b>									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Contractually required contribution	\$ 1,350,560	\$ 2,099,656	\$ 2,266,559	\$ 2,834,562	\$ 3,786,875	\$ 4,018,264	\$ 3,179,672	\$ 3,041,108	\$ 2,610,962	\$ 2,878,183
Contributions in relation to the contractually required contribution	<u>1,350,560</u>	<u>2,099,656</u>	<u>2,266,559</u>	<u>2,834,562</u>	<u>3,786,875</u>	<u>4,018,264</u>	<u>3,179,672</u>	<u>3,041,108</u>	<u>2,610,962</u>	<u>2,878,183</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	22,990,747	23,377,701	23,410,651	23,970,534	23,303,844	22,922,213	25,007,462	25,948,020	26,642,741	27,101,535
Contributions as a percentage of covered payroll	6%	9%	10%	12%	16%	18%	13%	12%	10%	11%
	<b>EMPLOYEES' RETIREMENT SYSTEM</b>									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Contractually required contribution	\$ 506,213	\$ 809,350	\$ 928,312	\$ 1,249,264	\$ 1,219,575	\$ 979,432	\$ 849,137	\$ 853,422	\$ 882,426	\$ 841,763
Contributions in relation to the contractually required contribution	<u>506,213</u>	<u>809,350</u>	<u>928,312</u>	<u>1,249,264</u>	<u>1,219,575</u>	<u>979,432</u>	<u>849,137</u>	<u>853,422</u>	<u>882,426</u>	<u>841,763</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	6,123,276	6,263,503	6,197,722	6,163,763	5,850,150	5,748,437	5,434,089	5,556,457	5,839,407	6,259,986
Contributions as a percentage of covered payroll	8%	13%	15%	20%	21%	17%	16%	15%	15%	13%

**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN THE TOTAL OPEB RELATED LIABILITY  
AND RELATED RATIOS  
LAST THREE FISCAL YEARS\***

Measurement Date	<u>2017</u> <u>April 1</u>	<u>2018</u> <u>April 1</u>	<u>2019</u> <u>April 1</u>
<b>Total OPEB Liability</b>			
Service cost	\$ 2,681,262	\$ 2,894,185	\$ 3,249,341
Interest	3,212,397	3,994,406	4,816,337
Changes in benefit terms	-	20,512,904	752,245
Differences between expected and actual experience in the measurement of the total OPEB liability	12,910,071	1,173,088	(20,298,058)
Changes of assumptions or other inputs	(7,097,343)	2,891,414	638,058
Benefit payments	<u>(2,415,314)</u>	<u>(2,695,806)</u>	<u>(3,520,565)</u>
Net change in total OPEB liability	9,291,073	28,770,191	(14,362,642)
Total OPEB liability - beginning	<u>95,626,503</u>	<u>104,917,576</u>	<u>133,687,767</u>
Total OPEB liability - ending	<u>\$ 104,917,576</u>	<u>\$ 133,687,767</u>	<u>\$ 119,325,125</u>
Covered-employee payroll	\$ 25,451,767	\$ 25,451,767	\$ 26,294,220
Total OPEB liability as a percentage of covered-employee payroll	412.22%	525.26%	453.81%

\* This schedule is intended to show information for ten years. Since 2017 was the first year for this presentation, ten years of data is not available. Additional years will be included as they become available.

**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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**NOTE 1 - BUDGETARY INFORMATION**

**BUDGETARY BASIS OF ACCOUNTING**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations authorized for the current year are increased by the amount of 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, 2019, and therefore, is the only fund presented in the Budgetary Comparison Schedule.

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 that was not determined at the time the budget was adopted.

The capital projects fund is appropriated on a project-length basis. 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.

Other special revenue funds and the private purpose trust fund do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span a period of more than one fiscal year.

**NOTE 2 - FACTORS AFFECTING TRENDS IN OTHER POSTEMPLOYMENT BENEFITS AND PENSIONS**

The District has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, to pay OPEB benefits. The District currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis. Changes of assumptions and other inputs reflect a change in the discount rate from 3.61 percent in 2018 to 3.44 percent in 2019 and changes in the inflation rate from 2.37 percent in 2018 to 2.31 percent in 2019.

The District's proportionate share of the net pension (asset)/liability of the pension systems is significantly dependent on the performance of the stock market and the funds that the retirement system invest in. In addition, the discount factor has varied from 7.5% to 7.0% over the past four years.

## **SUPPLEMENTARY INFORMATION**

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**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET– NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2019**

	<b>Debt Service</b>	<b>School Lunch</b>	<b>Miscellaneous Special Revenue</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 827,460	\$ 31,368	\$ 749,203	\$ 1,608,031
Receivables	-	4,111	44,517	48,628
State and federal aid receivable	-	52,926	-	52,926
Inventory	-	35,504	-	35,504
Prepaid items	-	7,862	-	7,862
	<u>-</u>	<u>7,862</u>	<u>-</u>	<u>7,862</u>
Total assets	<u>\$ 827,460</u>	<u>\$ 131,771</u>	<u>\$ 793,720</u>	<u>\$ 1,752,951</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 23,460	\$ 1,318	\$ 24,778
Accrued liabilities	-	26,340	13,470	39,810
Due to other funds	-	-	39,458	39,458
Due to employees' retirement	-	8,350	10,608	18,958
Due to other governments	-	1,260	-	1,260
Unearned revenue	-	25,609	53,083	78,692
	<u>-</u>	<u>25,609</u>	<u>53,083</u>	<u>78,692</u>
Total liabilities	<u>-</u>	<u>85,019</u>	<u>117,937</u>	<u>202,956</u>
<b>FUND BALANCES</b>				
Nonspendable	-	43,366	-	43,366
Assigned	827,460	3,386	675,783	1,506,629
Total fund balances	<u>827,460</u>	<u>46,752</u>	<u>675,783</u>	<u>1,549,995</u>
Total liabilities and fund balances	<u>\$ 827,460</u>	<u>\$ 131,771</u>	<u>\$ 793,720</u>	<u>\$ 1,752,951</u>

**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Debt Service</b>	<b>School Lunch</b>	<b>Miscellaneous Special Revenue</b>	<b>Total</b>
<b>REVENUES</b>				
Use of money and property	\$ 2,063	\$ 187	\$ -	\$ 2,250
Miscellaneous local sources	-	16,835	579,784	596,619
State sources	-	22,239	-	22,239
Federal sources	-	671,363	-	671,363
School lunch	-	626,287	-	626,287
Total revenues	<u>2,063</u>	<u>1,336,911</u>	<u>579,784</u>	<u>1,918,758</u>
<b>EXPENDITURES</b>				
General:				
Instruction	-	-	509,010	509,010
School lunch	-	1,350,828	-	1,350,828
Employee benefits	-	-	68,207	68,207
Total expenditures	<u>-</u>	<u>1,350,828</u>	<u>577,217</u>	<u>1,928,045</u>
Excess (deficit) of revenues over expenditures	2,063	(13,917)	2,567	(9,287)
<b>OTHER FINANCING SOURCES</b>				
Interfund transfers in	-	22,736	-	22,736
Total other financing sources	<u>-</u>	<u>22,736</u>	<u>-</u>	<u>22,736</u>
Net change in fund balances	2,063	8,819	2,567	13,449
Fund balances - beginning	<u>825,397</u>	<u>37,933</u>	<u>673,216</u>	<u>1,536,546</u>
Fund balances - ending	<u>\$ 827,460</u>	<u>\$ 46,752</u>	<u>\$ 675,783</u>	<u>\$ 1,549,995</u>

**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT  
SCHEDULE OF CHANGES FROM ADOPTED BUDGET TO FINAL BUDGET –  
GENERAL FUND AND REAL PROPERTY TAX LIMIT  
FOR THE YEAR ENDED JUNE 30, 2019**

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Adopted Budget		\$	72,371,573
Additions:			
Encumbrances from prior year			<u>722,094</u>
Original Budget			73,093,667
Budget Provision:			
Transfer of Capital Reserve funds			<u>6,500,000</u>
Final Budget		\$	<u><u>79,593,667</u></u>

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

2019-20 expenditure budget	\$	74,368,265
Maximum allowed		2,974,731

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

Unrestricted fund balance:			
Assigned fund balance		2,957,897	
Unassigned fund balance		<u>2,967,231</u>	
Total unrestricted fund balance		<u>5,925,128</u>	
Less:			
Appropriated fund balance		2,326,777	
Encumbrances included in assigned fund balance		<u>631,120</u>	
Total adjustments		<u>2,957,897</u>	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	\$	<u><u>2,967,231</u></u>	
Actual percentage			3.99%

**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT  
SCHEDULE OF PROJECT EXPENDITURES  
CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

<u>Project Title</u>			<u>Capital Expenditures</u>			<u>Unexpended Balance</u>	<u>Methods of Financing</u>				<u>Fund Balance 06/30/19</u>
	<u>Original Appropriations</u>	<u>Revised Appropriations</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>		<u>Proceeds of Obligations</u>	<u>State Aid</u>	<u>Local Sources</u>	<u>Total</u>	
Dake Lighting Project	\$ 100,000	\$ 100,000	\$ 99,204	\$ -	\$ 99,204	\$ 796	\$ -	\$ -	\$ 99,204	\$ 99,204	\$ -
Sproule Boiler Project	100,000	100,000	-	100,000	100,000	-	-	-	100,000	100,000	-
Renewal Project	9,625,382	9,625,382	-	491,202	491,202	9,134,180	-	-	6,000,000	6,000,000	5,508,798
BOCES Capital Project	<u>1,827,338</u>	<u>1,827,338</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,827,338</u>	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Total	<u>\$ 11,652,720</u>	<u>\$ 11,652,720</u>	<u>\$ 99,204</u>	<u>\$ 591,202</u>	<u>\$ 690,406</u>	<u>\$ 10,962,314</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,699,204</u>	<u>\$ 6,699,204</u>	<u>\$ 6,008,798</u>

**WEST IRONDEQUOIT CENTRAL SCHOOL DISTRICT**  
**SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS**  
**JUNE 30, 2019\***

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Capital assets, net	\$ 70,360,403
Add:	
Bonds payable	(13,565,000)
Unamortized debt premium	<u>(99,849)</u>
Net investment in capital assets	\$ <u><u>56,695,554</u></u>

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## **INTERNAL CONTROL AND COMPLIANCE**

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITOR'S REPORT**

The President and Members of the  
Board of Education of  
West Irondequoit Central School District  
Rochester, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of West Irondequoit Central School District (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 24, 2019.

**Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

*Freed Maxick CPAs, P.C.*

Batavia, New York  
September 24, 2019

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