

WESTHILL CENTRAL  
SCHOOL DISTRICT



MANAGEMENT'S  
DISCUSSION AND  
ANALYSIS

AND

BASIC FINANCIAL  
STATEMENTS

For the Year Ended  
June 30, 2025

**WESTHILL CENTRAL SCHOOL DISTRICT  
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**D'Arcangelo & Co., LLP**  
**Certified Public Accountants & Consultants**

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

**Independent Auditor's Report**

Board of Education

Westhill Central School District, New York

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Westhill Central School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Westhill Central School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Westhill Central School District, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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

***Change in Accounting Principle***

As discussed in Notes 1 and 17 to the financial statements, Westhill Central School District changed its accounting policies related to the recognition and reporting of compensated absences by adopting Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

***Correction of Errors***

As discussed in Note 17 to the financial statements, the District corrected the following errors:

- General Fund – In the prior year, the General Fund accrued \$62,450 for compensated absences. The correction of this error increased the prior fund balance by \$62,450.
- Government Wide – In the prior year, the accumulated depreciation included \$1,236,998 for construction in progress in error. The correction of this error increased the net position on the government wide financial statements by the same amount.

Our opinion is not modified with respect to these matters.

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

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

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

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

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

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

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

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

***Required Supplementary Information***

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

***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Westhill Central School District's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis as required by the New York State Education Department and is not a required part of the basic financial statements. The other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2025, on our consideration of the Westhill Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Westhill Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Westhill Central School District's internal control over financial reporting and compliance.

*D'Arcangelo & Co., LLP*

September 22, 2025

Rome, New York

**WESTHILL CENTRAL SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION & ANALYSIS  
For the Year Ended June 30, 2025**

The Westhill Central School District’s discussion and analysis of financial performance provides an overall review of the District’s financial activities for the fiscal years ended June 30, 2025 and 2024. The intent of this discussion and analysis is to look at the District’s financial performance as a whole. This should be read in conjunction with the financial statements, which immediately follow this section.

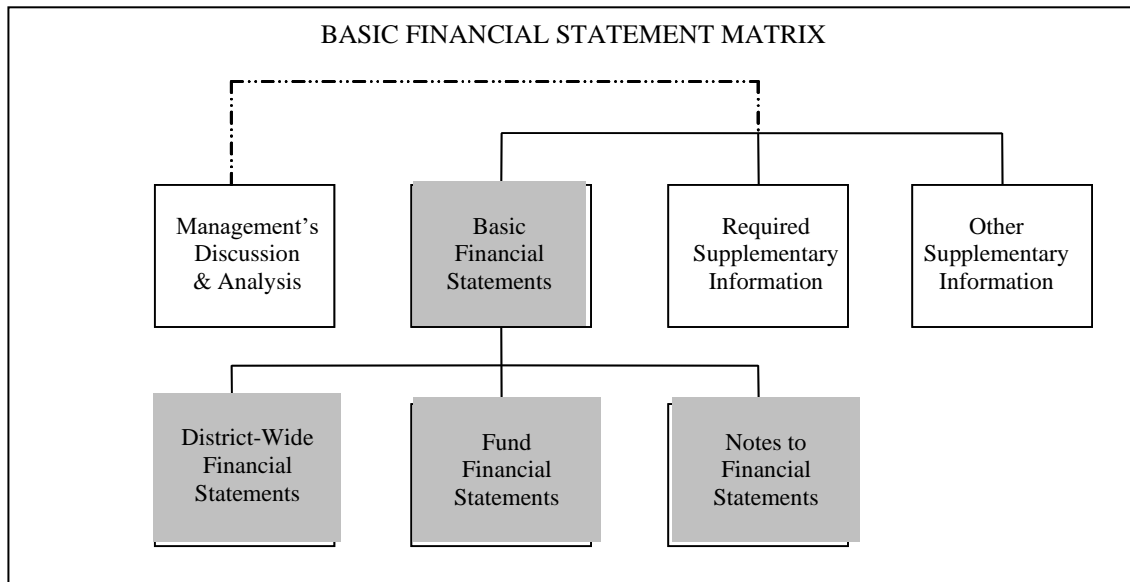
**1. FINANCIAL HIGHLIGHTS**

Key financial highlights for fiscal year 2025, are as follows:

- The District’s total Net Position, as reflected in the District-wide financial statements, increased by \$1,153,969.
- The District’s expenses for the year, as reflected in the District-wide financial statements, totaled \$50,121,963. Of this amount, 5.0% or \$2,508,812 was offset by program charges for services and operating grants. General revenues of \$48,767,120 amount to 95.11% of total revenues. These revenues covered the remaining of program expenses leaving an increase in net position of \$1,153,969.
- The General Fund’s total fund balance, as reflected in the fund financial statements on pages 15 and 17, increased by \$1,373,097 to \$12,528,908. This was due to an unexpended appropriation in the General Fund budget of \$2,611,316 and excess revenues of \$875,583 and offset with an appropriated fund balance of \$2,113,802.
- State and Federal revenue increased by \$1,022,243 or approximately 4.7% in 2025. This was mainly due to a \$536,490 or 4.5% increase from State Foundation Aid and \$420,054 or 15% increase from Excess Cost Aid in the General Fund.

**2. OVERVIEW OF THE FINANCIAL STATEMENTS**

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



**WESTHILL CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION & ANALYSIS  
For the Year Ended June 30, 2025**

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**A. District-wide Financial Statements**

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

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

The Statement of Net Position

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

The Statement of Activities

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

**B. Fund Financial Statements**

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

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

Governmental Funds

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

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

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

Fiduciary Funds

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

**WESTHILL CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION & ANALYSIS  
For the Year Ended June 30, 2025**

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

**A. Net Position**

The District's total Net Position increased \$1,153,969 between fiscal year 2024 and 2025. A summary of the District's Statement of Net Position for June 30, 2025 and 2024, is as follows:

	2025	(Restated) 2024	Increase (Decrease)	Percentage Change
Current and Other Assets	\$ 20,170,675	\$ 15,863,939	\$ 4,306,736	27.1%
Net Pension Asset - Proportionate Share	2,558,134	0	2,558,134	100.0%
Capital and Right to Use Assets, Net	<u>85,404,021</u>	<u>86,933,607</u>	<u>(1,529,586)</u>	(1.8%)
Total Assets	<u>108,132,830</u>	<u>102,797,546</u>	<u>5,335,284</u>	5.2%
Deferred Outflow of Resources	<u>14,059,335</u>	<u>17,896,985</u>	<u>(3,837,650)</u>	(21.4%)
Non-Current Liabilities	135,199,727	143,231,471	(8,031,744)	(5.6%)
Net Pension Liability - Proportionate Share	1,644,194	2,409,819	(765,625)	(31.8%)
Other Liabilities	<u>8,061,117</u>	<u>5,665,343</u>	<u>2,395,774</u>	42.3%
Total Liabilities	<u>144,905,038</u>	<u>151,306,633</u>	<u>(6,401,595)</u>	(4.2%)
Deferred Inflow of Resources	<u>17,617,307</u>	<u>10,872,047</u>	<u>6,745,260</u>	62.0%
Net Position				
Net Investment in Capital Assets	46,894,749	41,167,140	5,727,609	13.9%
Restricted	5,696,063	4,679,468	1,016,595	21.7%
Unrestricted (Deficit)	<u>(92,920,992)</u>	<u>(87,330,757)</u>	<u>(5,590,235)</u>	(6.4%)
Total Net Position (Deficit)	<u>\$ (40,330,180)</u>	<u>\$ (41,484,149)</u>	<u>\$ 1,153,969</u>	2.8%

Current and Other Assets increased by \$4,306,736, the increase was primarily because of BAN proceeds for capital projects, which increased Cash and Cash Equivalents.

The net change in the proportionate share of net assets and/or liabilities and the amounts of deferred inflows and outflows resulted in an increase in financial position of \$539,475. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* requires the inclusion of the District's proportionate share of net assets and/or liabilities in the New York State Teachers' Retirement System and Employees' Retirement Systems.

The accounting for Other Post Employment Benefit (OPEB) Liabilities resulted in a \$3,909,122 decrease in the Non-Current Liabilities noted above. This decrease was mainly due to an increase in the discount rate used in the actuary's calculations from 3.65% to 3.93%, and the healthcare trend rate table was updated for 2024 using Getzen model v2025\_1B. The OPEB changes also resulted in a decrease in deferred outflows by \$2,961,219 and an increase in deferred inflows by \$4,837,407.

Other liabilities increased \$2,395,774, which was mainly due to an increase in bond anticipation notes in the amount of \$2,179,537.

Non-Current Liabilities decreased due to bond payments of \$3,969,473. In addition, the Net Position invested in capital and right to use assets is calculated by subtracting the amount of outstanding debt used for construction and leasing activity from the total cost of all asset acquisitions, net of accumulated depreciation and amortization. The total cost of these acquisitions and leases includes expenditures to purchase and/or lease land, construct and improve buildings and purchase vehicles, equipment and furniture to support District operations.

The unrestricted Net Position at June 30, 2025, is a deficit of \$92,920,992, which represents the amount by which the District's liabilities, excluding debt related to capital construction and leases, exceeded the District's assets other than capital and right to use assets. This deficit is due to the \$94,588,406 OPEB liability at June 30, 2025. Since New York State Laws provide no mechanism for funding the liability, subsequent accruals are expected to increase the deficit in subsequent years.

**WESTHILL CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION & ANALYSIS  
For the Year Ended June 30, 2025**

The restricted Net Position at June 30, 2025, is \$5,696,063, which represents the amount of the District's reserves and other restricted funds in the Debt Service Fund, Miscellaneous Revenue Fund, and Capital Fund.

**B. Changes in Net Position**

The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format in the accompanying financial statements. In the accompanying financial statements STAR (school tax relief) revenue is included in the other tax items line. However, in this MD&A, STAR revenue has been combined with property taxes. A summary of this statement for the years ended June 30, 2025 and 2024 is as follows:

	2025	(Restated) 2024	Increase (Decrease)	Percentage Change
<b>Revenues</b>				
Program Revenues				
Charges for Services	\$ 174,320	\$ 454,570	\$ (280,250)	(61.7%)
Operating Grants	2,334,492	1,855,044	479,448	25.8%
General Revenues				
Property Taxes and STAR	24,639,664	23,686,351	953,313	4.0%
Nonproperty Tax Items	83,255	81,734	1,521	1.9%
State and Federal Sources	22,705,211	21,682,968	1,022,243	4.7%
Use of Money and Property	774,681	863,879	(89,198)	(10.3%)
Other	564,309	741,015	(176,706)	(23.8%)
Total Revenues	<u>51,275,932</u>	<u>49,365,561</u>	<u>1,910,371</u>	3.9%
<b>Expenses</b>				
General Support	4,635,198	6,420,258	(1,785,060)	(27.8%)
Instruction	38,669,624	37,883,994	785,630	2.1%
Pupil Transportation	3,916,947	4,454,379	(537,432)	(12.1%)
Debt Service-Unallocated Interest	1,647,911	1,760,658	(112,747)	(6.4%)
Food Service Program	1,252,283	541,740	710,543	131.2%
Total Expenses	<u>50,121,963</u>	<u>51,061,029</u>	<u>(939,066)</u>	(1.8%)
Total Change in Net Position	<u>\$ 1,153,969</u>	<u>\$ (1,695,468)</u>	<u>\$ 2,849,437</u>	

The District's revenues increased by \$1,910,371 in 2025 or 3.9%. The major factors that contributed to the increase were:

- The District's 2024-2025 voter approved budget carried a property tax levy increase of 4.03%.
- State and Federal revenue increased by \$1,022,243 or approximately 4.7% in 2025. This was mainly due to a \$536,490 or 4.5% increase from State Foundation Aid and \$420,054 or 15% increase from Excess Cost Aid in the General Fund.
- Operating Grants increased \$479,448 due to State and federal aid increases of \$624,984. This was due to the District becoming fully Community Eligibility Provision (CEP) eligible for the 2024-2025 year. Due to the new program eligibility, charges for eligible meals to students decreased \$247,402.
- Use of money and property decreased due to the decrease in available cash for investment.

The District's expenses decreased by \$939,066 in 2025 or 1.8%. The major factors that contributed to the decrease were:

- The expense for OPEB liability decreased \$258,185 due to changes in the actuarial assumptions.
- The expense for the retirement systems decreased \$1,604,375 as a result of the District's net proportionate share in the New York State Employees' and Teachers' Retirement Systems.
- The above decreases were offset with increases in salaries and benefits for a total of \$1,287,935.

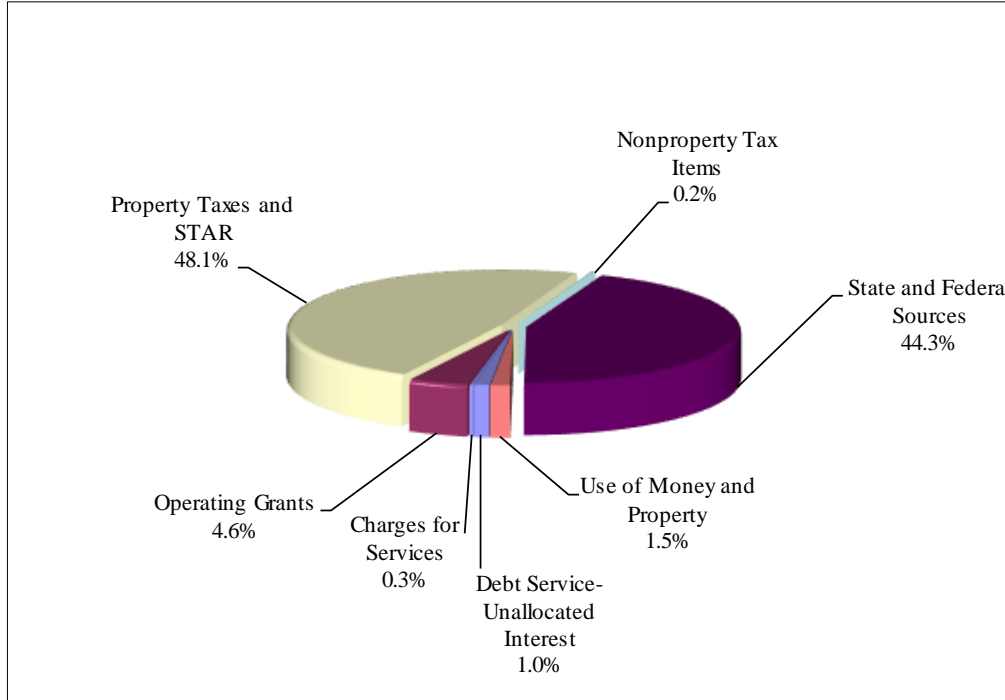


**WESTHILL CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION & ANALYSIS  
For the Year Ended June 30, 2025**

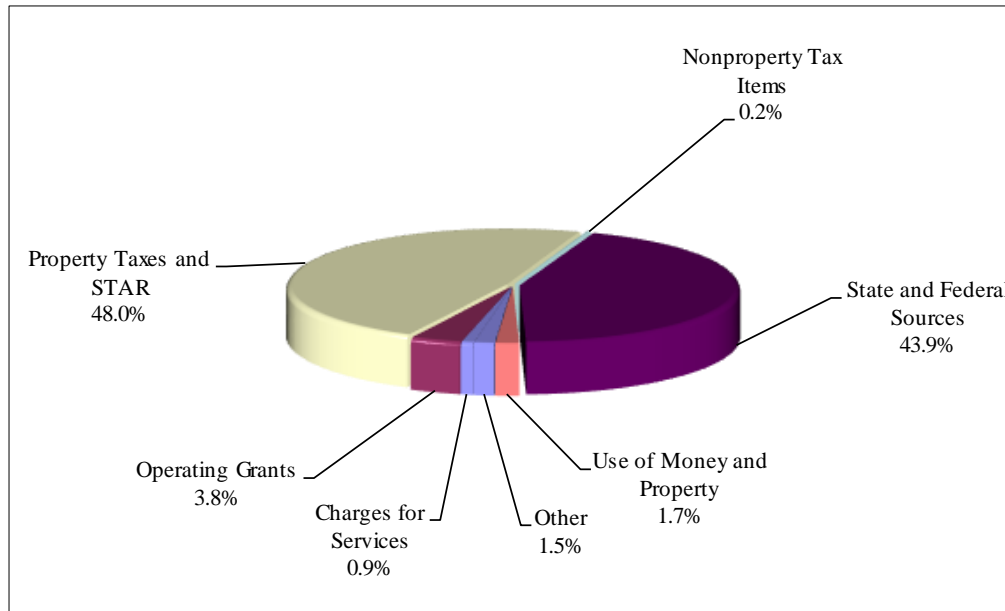
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- A graphic display of the distribution of revenues for the two years follows:

**For the Year Ended June 30, 2025**



**For the Year Ended June 30, 2024**



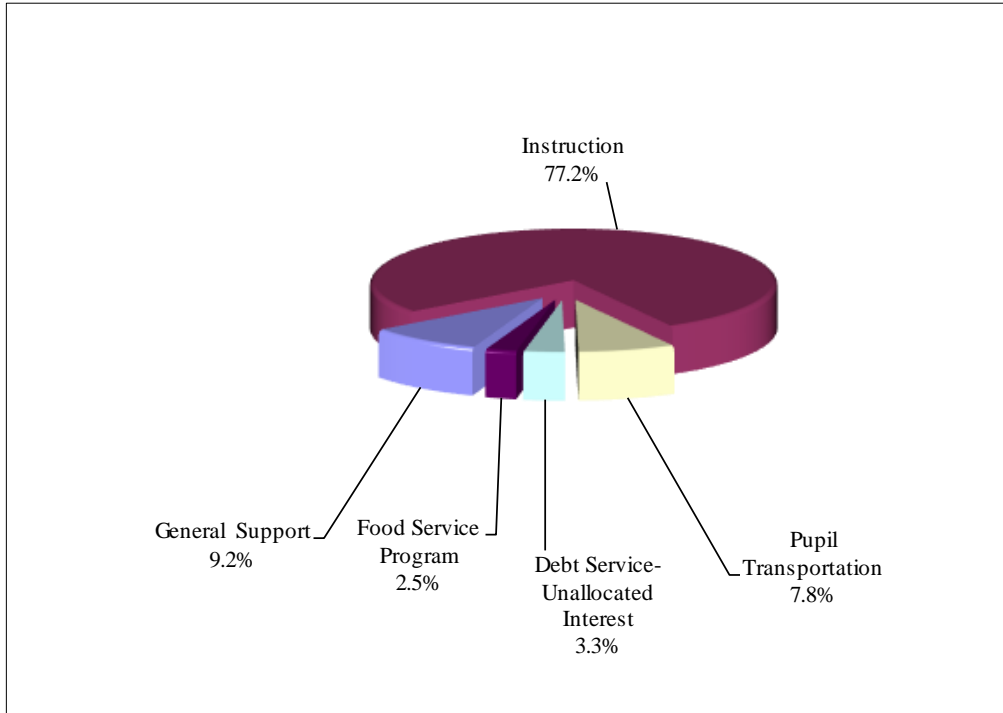
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**WESTHILL CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION & ANALYSIS  
For the Year Ended June 30, 2025**

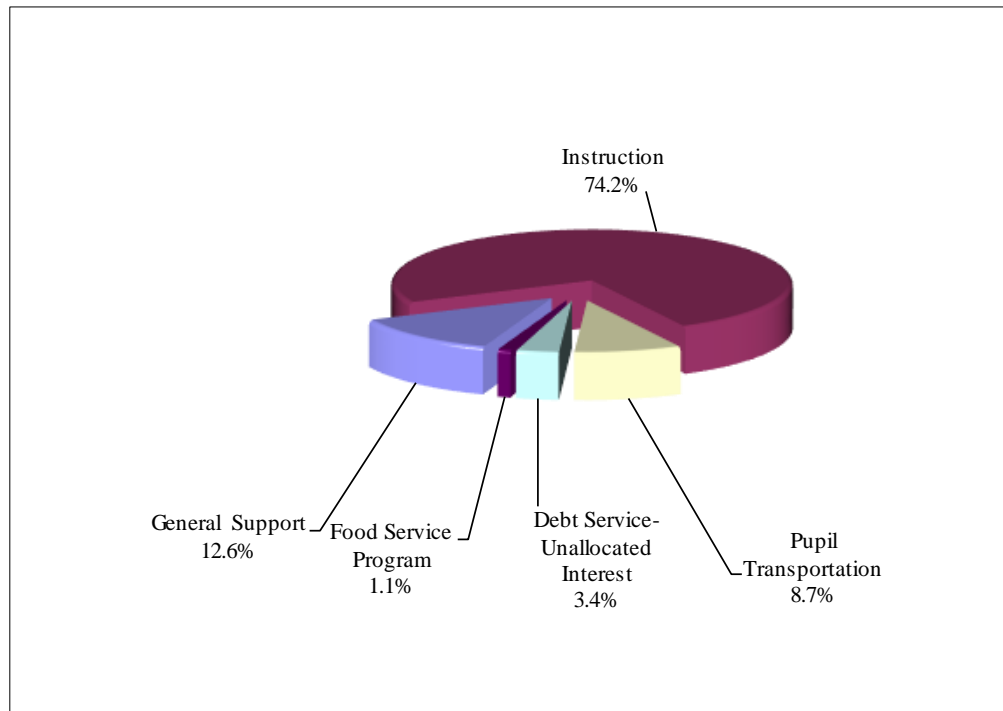
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- A graphic display of the distribution of expenses for the two years follows:

**For the Year Ended June 30, 2025**



**For the Year Ended June 30, 2024**



See Independent Auditor's Report.

**WESTHILL CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION & ANALYSIS  
For the Year Ended June 30, 2025**

**4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

At June 30, 2025, the District's governmental funds reported a combined fund balance of \$12,183,324 which is an increase of \$1,902,389 over the prior year. The increase is due to the issuance of serial bonds in the Capital Fund which permanently financed project expenditures. A summary of the change in fund balance by fund is as follows:

	Ending Balance	(Restated) Beginning Balance	Difference
<b>General Fund</b>			
<b>Nonspendable</b>	\$ 1,004,262	\$ 1,055,344	\$ (51,082)
<b>Restricted</b>			
Employee Benefit Accrued Liability	243,368	241,760	1,608
Retirement Contribution	966,958	966,958	
Tax Certiorari	405,600	402,921	2,679
Unemployment Insurance	92,124	92,124	
Workers' Compensation	375,000	375,000	
Insurance	500,000	500,000	
Capital Reserve	650,000	650,000	
Total Restricted	<u>3,233,050</u>	<u>3,228,763</u>	<u>4,287</u>
<b>Assigned</b>			
Appropriated for Subsequent Year's Budget	2,954,628	1,857,012	1,097,616
General Support	421,421	92,001	329,420
Instruction	94,205	164,789	(70,584)
Pupil Transportation	145,746		145,746
Employee Benefits	<u>1,155</u>		<u>1,155</u>
Total Assigned	<u>3,617,155</u>	<u>2,113,802</u>	<u>1,503,353</u>
<b>Unassigned</b>	<u>4,674,441</u>	<u>4,757,902</u>	<u>(83,461)</u>
<b>Total General Fund</b>	<u>12,528,908</u>	<u>11,155,811</u>	<u>1,373,097</u>
<b>School Lunch Fund</b>			
Nonspendable	14,402	18,497	(4,095)
Assigned	<u>311,910</u>	<u>342,685</u>	<u>(30,775)</u>
<b>Total School Lunch Fund</b>	<u>326,312</u>	<u>361,182</u>	<u>(34,870)</u>
<b>Special Aid Fund</b>			
Unassigned (Deficit)	<u>6</u>		<u>6</u>
<b>Miscellaneous Special Revenue Fund</b>			
Restricted for Endowments and Scholarships	<u>9,078</u>	<u>21,028</u>	<u>(11,950)</u>
<b>Debt Service Fund</b>			
Restricted	<u>1,503,174</u>	<u>1,429,676</u>	<u>73,498</u>
<b>Capital Fund</b>			
Restricted	950,761		950,761
Unassigned (Deficit)	<u>(3,134,915)</u>	<u>(2,686,762)</u>	<u>(448,153)</u>
<b>Total Capital Fund (Deficit)</b>	<u>(2,184,154)</u>	<u>(2,686,762)</u>	<u>502,608</u>
<b>Total</b>	<u>\$ 12,183,324</u>	<u>\$ 10,280,935</u>	<u>\$ 1,902,389</u>

The combined increase of \$4,287 to the General Fund restricted fund balances for the year ending June 30, 2025, was due to interest earned.

**WESTHILL CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION & ANALYSIS  
For the Year Ended June 30, 2025**

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**5. GENERAL FUND BUDGETARY HIGHLIGHTS**

**A. 2024-2025 Budget**

The District's General fund adopted budget for the year ended June 30, 2025, was \$49,991,824. The budget was increased by \$256,790 due to carryover encumbrances from the prior year.

The budget was funded through a combination of revenues and designated fund balance. The majority of this funding source was \$22,443,066 in estimated property taxes and \$24,719,633 in estimated STAR and State Aid.

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

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

Opening, Unassigned Fund Balance (Restated)	\$ 4,757,902
Revenues and Other Sources under Budget	(1,238,219)
Carryover Encumbrances from June 30, 2024	256,790
Expenditures under Budget	2,611,316
Encumbrances at June 30, 2025	(662,527)
Change to Assigned - Designated for Subsequent Year's Expenditures	(1,097,616)
Decrease to Nonspendable	51,082
Net Increase to Reserved Funds	(4,287)
Closing, Unassigned Fund Balance	<u>\$ 4,674,441</u>

**Opening, Unassigned Fund Balance (Restated)**

The \$4,757,902 shown in the table is the portion of the District's June 30, 2024 fund balance that was retained unassigned. This was 9.52% of the District's 2024-2025 approved operating budget.

**Revenues Over Budget**

The 2024-2025 budget for revenues and transfers was \$48,134,812. The actual revenues and transfers received for the year were \$49,010,395. The actual revenue was over budgeted revenue by \$857,583. This variance combined with a total appropriated reserves and fund balance of \$2,113,802, resulted in a total deficit of revenues and other sources totaling to \$1,238,219. This deficit contributes directly to the change to the unassigned portion of the General fund balance from June 30, 2024 to June 30, 2025.

**Expenditures and Encumbrances Under Budget**

The 2024-2025 budget for expenditures was \$50,248,614. The actual expenditures and encumbrances were \$48,299,825. The final budget was under expended by \$2,611,316, before encumbrances of \$662,527. This under expenditure contributes to the change to the unassigned portion of the General fund balance from June 30, 2024 to June 30, 2025.

**Appropriated Fund Balance**

The District has chosen to use \$2,954,628 of its available June 30, 2025, fund balance to partially fund its 2025-2026 approved operating budget. This amount was \$1,097,616 higher than the prior year.

**Reserved Fund Balance**

The District's reserve funds increased by \$4,287 in the General Fund for the year ending June 30, 2025.

**WESTHILL CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION & ANALYSIS  
For the Year Ended June 30, 2025**

Closing, Unreserved - Unassigned Fund Balance

Based upon the summary changes shown in the above table, the District will begin the 2025-2026 fiscal year with an unassigned fund balance of \$4,674,441. This is a decrease of \$83,461 over the unassigned balance from the prior year. This was 8.90% of the District's approved operating budget for 2025-2026.

**6. CAPITAL ASSET AND DEBT ADMINISTRATION**

**A. Capital Assets**

At June 30, 2025, the District had invested in a broad range of capital assets, including land, buildings and improvements and equipment. The net decrease in capital assets is due to capital additions less depreciation and amortization recorded for the year ended June 30, 2025. A summary of the District's capital assets, net of accumulated depreciation and amortization at June 30, 2025 and 2024, is as follows:

	2025	(Restated) 2024	Increase (Decrease)
Land	\$ 4,073,888	\$ 4,073,888	\$
Construction in Process	335,212	20,054,061	(19,718,849)
Land Improvements	2,730,786	3,068,981	(338,195)
Buildings	75,404,952	56,939,853	18,465,099
Vehicles, Furniture, and Equipment	2,250,269	2,087,840	162,429
Right To Use Leased Assets	608,914	708,984	(100,070)
Capital Assets, Net	<u>\$ 85,404,021</u>	<u>\$ 86,933,607</u>	<u>\$ (1,529,586)</u>

**B. Debt Administration**

At June 30, 2025, the District had total bonds payable of \$34,104,703 and bond anticipation notes of \$5,080,000 which utilized 25.2% of the District's debt limit established by New York State Constitution. A summary of the outstanding debt at June 30, 2025 and 2024, is as follows:

Issue Date	Maturity	Interest Rate	2025	2024	Increase (Decrease)
Serial Bonds - Construction & Improvements					
6/13	6/32	2.00-3.50%	\$ 7,510,000	\$ 9,320,000	\$ (1,810,000)
6/20	6/34	5.00%	9,705,000	10,590,000	(885,000)
6/24	6/39	5.00%	15,245,000	16,060,000	(815,000)
		Total	<u>32,460,000</u>	<u>35,970,000</u>	<u>(3,510,000)</u>
Serial Bonds - Buses					
1/20	10/24	1.60-1.75%		105,000	(105,000)
12/20	10/25	1.125-1.20%	95,000	185,000	(90,000)
4/22	10/26	1.25-2.75%	150,000	225,000	(75,000)
10/22	10/27	3.75-4.00%	240,000	315,000	(75,000)
3/24	10/28	3.75%	505,000	619,473	(114,473)
6/25	10/30	3.75-4.00%	654,703		654,703
		Total	<u>1,644,703</u>	<u>1,449,473</u>	<u>195,230</u>
			<u>\$ 34,104,703</u>	<u>\$ 37,419,473</u>	<u>\$ (3,314,770)</u>

**WESTHILL CENTRAL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION & ANALYSIS  
For the Year Ended June 30, 2025**

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

The budget for the 2025-26 school year was approved by the voters of the District on May 20, 2025. The approved budget of \$52,530,811 is an increase of \$2,538,987 or 5.1% from the 2024-25 budget and carries a tax levy increase of 2.7%. The tax levy increase is at the tax cap.

During the 2025-26 school year, the Westhill Central School District anticipates an increase of \$816,111 in State aid due to the restoration of the NYS foundation aid formula. Looking forward, the NYS Division of Budget and the State Comptroller's analysis of the state's finances predict an overall downward trend in state revenues due to an anticipated reduction in the amount of overall federal funding. Per ASBO New York, "while the majority of these reductions are concentrated in non-education programs, particularly Medicaid and SNAP, the projected impact is large enough that there could be broader budget implications and downstream effects on school aid. The remaining months of the state fiscal year remain uncertain, but the current signals are pointing to a difficult state budget season next year. We will know more as the year progresses, specifically after the release of the mid-year financial plan update, adoption of the FY26 federal budget and release of the November school aid database which should better inform us what to expect in advance of the governor's budget proposal".

It is anticipated that the consumer price index will be greater than the 2% maximum allowed by the tax cap formula. Voters also approved the purchase of one (1) 66-passenger school bus, one (1) 60-passenger school bus with wheelchair, one (1) 30-passenger school bus and (1) minivan. The total cost of the buses is not to exceed \$660,000.

The district will be asking the voters to approve a \$24M capital project in 2025-26 to provide air conditioning to comply with NYSED's 88 F maximum temperature mandate, replace hot water boilers, convert steam to hot water at Cherry Road Elementary School, and replace the turf field at the high school. The district will also be submitting to NYSED a \$21M proposal to replace the transportation center. The voter referendum on the transportation center will come after NYSED has had an opportunity to conduct a pre-review of the district's conceptual design.

Student enrollment remains fairly stable; however, the percentage of students eligible for free and reduced price lunches has doubled over the past ten years. This trend is similar to other districts in the region. The district will again be eligible for the Community Eligibility Provision in the 2025-26 which will provide free breakfast and lunch to all students.

**8. CONTACTING THE DISTRICT**

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

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

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**June 30, 2025**

**Assets**

Cash and Cash Equivalents	\$ 9,346,834
Restricted Cash and Cash Equivalents	7,317,337
Receivables	
Due from Other Governments	2,438,995
Due from Fiduciary Funds	20,689
Other Receivables	28,156
Inventory	14,402
Prepaid Expenses	1,004,262
Net Pension Asset - Proportionate Share	2,558,134
Right to Use Leased Assets, Net	608,914
Capital Assets (Not Being Depreciated)	4,409,100
Capital Assets, Net	<u>80,386,007</u>
Total Assets	<u>108,132,830</u>

**Deferred Outflow of Resources**

Deferred Outflow - OPEB	7,039,314
Deferred Outflow - Pensions	<u>7,020,021</u>
Total Deferred Outflow of Resources	<u>14,059,335</u>

**Total Assets and Deferred Outflow of Resources** \$ 122,192,165

**Liabilities**

Accounts Payable	\$ 110,298
Accrued Liabilities	279,955
Agency Liabilities	415,406
Due To	
Other Governments	203
Teachers' Retirement System	1,995,775
Employees' Retirement System	163,769
Short-Term Notes Payables	
Bond Anticipation Notes	5,080,000
Unearned Revenue	15,711
Net Pension Liability - Proportionate Share	1,644,194
Noncurrent Liabilities	
Due Within One Year	5,147,408
Due in More Than One Year	<u>130,052,319</u>
Total Liabilities	<u>144,905,038</u>

**Deferred Inflow of Resources**

Deferred Inflow - OPEB	14,200,756
Deferred Inflow - Pensions	<u>3,416,551</u>
Total Deferred Inflow of Resources	<u>17,617,307</u>

**Total Liabilities and Deferred Inflow of Resources** 162,522,345

**Net Position**

Net Investment in Capital Assets	46,894,749
Restricted	5,696,063
Unrestricted (Deficit)	<u>(92,920,992)</u>
<b>Total Net Position (Deficit)</b>	<u><u>(40,330,180)</u></u>

**Total Liabilities, Deferred Inflow of Resources, and Net Position** \$ 122,192,165

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

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2025**

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
General Support	\$ 4,635,198	\$	\$	\$ (4,635,198)
Instruction	38,669,624	51,699	1,382,231	(37,235,694)
Pupil Transportation	3,916,947			(3,916,947)
Debt Service - Unallocated Interest	1,647,911			(1,647,911)
Food Service	1,252,283	122,621	952,261	(177,401)
Total Functions/Programs	<u>\$ 50,121,963</u>	<u>\$ 174,320</u>	<u>\$ 2,334,492</u>	<u>(47,613,151)</u>
<b>General Revenues</b>				
Real Property Taxes				22,443,066
STAR and Other Real Property Tax Items				2,196,598
Nonproperty Tax Items				83,255
Use of Money and Property				774,681
Premiums on Debt				10,312
Sales of Property and Compensation for Loss				(80,558)
State and Federal Sources				22,705,211
Miscellaneous				<u>634,555</u>
Total General Revenues				<u>48,767,120</u>
<b>Change in Net Position</b>				<u>1,153,969</u>
<b>Net Position (Deficit), Beginning of Year</b>				(41,404,394)
Correction of an Error - Depreciation on Construction in Progress				1,236,998
Cumulative Effect for Change in Accounting Principle				<u>(1,316,753)</u>
<b>Net Position (Deficit), Beginning of Year (Restated)</b>				<u>(41,484,149)</u>
<b>Net Position (Deficit), End of Year</b>				<u>\$ (40,330,180)</u>

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



**WESTHILL CENTRAL SCHOOL DISTRICT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**June 30, 2025**

	General	School Lunch	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital	Total
<b>Assets</b>							
Cash and Cash Equivalents	\$ 8,339,892	\$ 241,062	\$ 765,880	\$	\$	\$	\$ 9,346,834
Restricted Cash and Cash Equivalents	3,233,050			9,078	1,129,431	2,945,778	7,317,337
Receivables							
Due from Other Governments	1,981,374	70,713	386,908				2,438,995
Due from Other Funds	1,154,164	338			373,743	323,811	1,852,056
Other Receivables	28,156						28,156
Inventory		14,402					14,402
Prepaid Expenses	1,004,262						1,004,262
Total Assets	<u>\$ 15,740,898</u>	<u>\$ 326,515</u>	<u>\$ 1,152,788</u>	<u>\$ 9,078</u>	<u>\$ 1,503,174</u>	<u>\$ 3,269,589</u>	<u>\$ 22,002,042</u>
<b>Liabilities</b>							
Payables							
Accounts Payable	\$ 102,136	\$	\$ 8,162	\$	\$	\$	\$ 110,298
Accrued Liabilities	206,189						206,189
Agency Liabilities	415,406						415,406
Due To							
Other Governments		203					203
Other Funds	326,689		1,130,935			373,743	1,831,367
Teachers' Retirement System	1,995,775						1,995,775
Employees' Retirement System	163,769						163,769
Bond Anticipation Note Payable						5,080,000	5,080,000
Unearned Revenue	2,026		13,685				15,711
Total Liabilities	<u>3,211,990</u>	<u>203</u>	<u>1,152,782</u>			<u>5,453,743</u>	<u>9,818,718</u>
<b>Fund Balances</b>							
Nonspendable	1,004,262	14,402					1,018,664
Restricted	3,233,050			9,078	1,503,174	950,761	5,696,063
Assigned	3,617,155	311,910	6				3,929,071
Unassigned (Deficit)	4,674,441					(3,134,915)	1,539,526
Total Fund Balances (Deficit)	<u>12,528,908</u>	<u>326,312</u>	<u>6</u>	<u>9,078</u>	<u>1,503,174</u>	<u>(2,184,154)</u>	<u>12,183,324</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 15,740,898</u>	<u>\$ 326,515</u>	<u>\$ 1,152,788</u>	<u>\$ 9,078</u>	<u>\$ 1,503,174</u>	<u>\$ 3,269,589</u>	<u>\$ 22,002,042</u>

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

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCES**  
**TO THE DISTRICT-WIDE NET POSITION**  
**June 30, 2025**

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Total Governmental Fund Balances	\$ 12,183,324
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Amounts reported for governmental activities in the Statement of Net Position are different because:

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

Right to Use Leased Assets	1,637,027
Accumulated Amortization	(1,028,113)
Original Cost of Capital Assets	126,616,983
Accumulated Depreciation	<u>(41,821,876)</u>
	<u>85,404,021</u>

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

Net Pension Asset - Proportionate Share	2,558,134
Deferred Outflows - Pensions	7,020,021
Net Pension Liability - Proportionate Share	(1,644,194)
Deferred Inflows - Pensions	<u>(3,416,551)</u>
	<u>4,517,410</u>

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

Bonds Payable	(34,104,703)
Lease Liability	(182,998)
Deferred Premiums on Bonds	(4,668,139)
Accrued Interest on Bonds Payable	(73,766)
Other Post Employment Benefit Liabilities	(94,588,406)
Deferred Outflows - OPEB	7,039,314
Deferred Inflows - OPEB	(14,200,756)
Compensated Absences Payable	<u>(1,655,481)</u>
	<u>(142,434,935)</u>

Total Net Position (Deficit)	\$ <u>(40,330,180)</u>
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The Accompanying Notes are an Integral Part of These Financial Statements.

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**ALL GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2025**

	General	School Lunch	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital	Total
<b>Revenues</b>							
Real Property Taxes	\$ 22,443,066	\$	\$	\$	\$	\$	\$ 22,443,066
STAR and Other Real Property Tax Items	2,196,598						2,196,598
Nonproperty Tax Items	83,255						83,255
Charges for Services	51,699						51,699
Use of Money and Property	711,495				63,186		774,681
Sale of Property and Compensation for Loss	49,826						49,826
Miscellaneous	626,005			8,550			634,555
State Aid	22,523,035	493,003	474,164				23,490,202
Federal Aid	182,176	459,258	908,067				1,549,501
School Lunch Sales		122,621					122,621
Total Revenues	<u>48,867,155</u>	<u>1,074,882</u>	<u>1,382,231</u>	<u>8,550</u>	<u>63,186</u>		<u>51,396,004</u>
<b>Expenditures</b>							
General Support	4,260,800					86,899	4,347,699
Instruction	22,603,259		1,394,006	20,500		265,737	24,283,502
Pupil Transportation	2,380,755						2,380,755
Food Service Program		947,404					947,404
Employee Benefits	11,842,325	19,446					11,861,771
Debt Service - Principal	4,257,958						4,257,958
Debt Service - Interest	2,150,004						2,150,004
Total Expenditures	<u>47,495,101</u>	<u>966,850</u>	<u>1,394,006</u>	<u>20,500</u>		<u>352,636</u>	<u>50,229,093</u>
Excess (Deficit) Revenues Over Expenditures	<u>1,372,054</u>	<u>108,032</u>	<u>(11,775)</u>	<u>(11,950)</u>	<u>63,186</u>	<u>(352,636)</u>	<u>1,166,911</u>
<b>Other Financing Sources (Uses)</b>							
Proceeds of Debt						654,703	654,703
BANs Redeemed from Appropriations						70,463	70,463
Premium on Debt					10,312		10,312
Transfers from Other Funds	143,240	338	11,781			130,078	285,437
Transfers to Other Funds	(142,197)	(143,240)					(285,437)
Total Other Financing Sources (Uses)	<u>1,043</u>	<u>(142,902)</u>	<u>11,781</u>		<u>10,312</u>	<u>855,244</u>	<u>735,478</u>
<b>Excess (Deficit) Revenues Over Expenditures and Other Financing Sources</b>	<u>1,373,097</u>	<u>(34,870)</u>	<u>6</u>	<u>(11,950)</u>	<u>73,498</u>	<u>502,608</u>	<u>1,902,389</u>
<b>Fund Balances (Deficit), Beginning of Year</b>	11,093,361	361,182		21,028	1,429,676	(2,686,762)	10,218,485
Correction of an Error	62,450						62,450
<b>Fund Balances (Deficit), Beginning of Year (Restated)</b>	<u>11,155,811</u>	<u>361,182</u>		<u>21,028</u>	<u>1,429,676</u>	<u>(2,686,762)</u>	<u>10,280,935</u>
<b>Fund Balances (Deficit), End of Year</b>	<u>\$ 12,528,908</u>	<u>\$ 326,312</u>	<u>\$ 6</u>	<u>\$ 9,078</u>	<u>\$ 1,503,174</u>	<u>\$ (2,184,154)</u>	<u>\$ 12,183,324</u>

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

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES AND**  
**EXPENDITURES OF THE GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2025**

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Net Changes in Fund Balance - Total Governmental Funds	\$	1,902,389
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Capital Outlays to construct, purchase, or lease capital or right to use assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their useful lives as depreciation and amortization expenses in the statement of activities. This is the amount by which depreciation and amortization and loss on disposal exceeded capital outlays in the period.

	Amorization Expense	(345,451)	
	Depreciation Expense	(2,478,263)	
	Loss on Disposal	(130,384)	
Capital and Right to Use Lease Outlays	1,424,512		(1,529,586)

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

	Issuance of Serial Bonds	(654,703)	
	Amortization of Premium on Bonds Issued	493,520	
	Repayment of Lease	218,022	
	Repayment Bond Principal	3,969,473	4,026,312

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

	Accrued Interest on Serial Bonds	8,573	
	Compensated Absences	96,310	
OPEB Liability with Deferred Inflows and Outflows	(3,889,504)		(3,784,621)

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

	Teachers' Retirement System	382,167	
	Employees' Retirement System	157,308	539,475

Change in Net Position Governmental Activities	\$	1,153,969
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The Accompanying Notes are an Integral Part of These Financial Statements.

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**June 30, 2025**

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	Custodial Fund
<b>Assets</b>	
Cash and Cash Equivalents - Restricted	\$ 153,199
Total Assets	<u>\$ 153,199</u>
<b>Liabilities</b>	
Due to Other Funds	<u>\$ 20,689</u>
<b>Net Position</b>	
Restricted for Extraclassroom Activities	\$ 132,510
<b>Total Net Position</b>	<u>\$ 153,199</u>

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

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**For the Year Ended June 30, 2025**

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	<u>Custodial Fund</u>
<b>Additions</b>	
Extraclassroom - Receipts	\$ 236,916
Real Property Tax Collected for Library	<u>213,578</u>
Total Additions	<u>450,494</u>
 <b>Deductions</b>	
Extraclassroom - Disbursements	218,823
Real Property Tax Paid to Library	<u>213,578</u>
Total Deductions	<u>432,401</u>
 <b>Change in Net Position</b>	18,093
 <b>Net Position, Beginning of Year</b>	<u>114,417</u>
 <b>Net Position, End of Year</b>	<u><u>\$ 132,510</u></u>

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

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

***Reporting Entity***

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

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

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

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

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

***Joint Venture***

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

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

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

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

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

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***Basis of Presentation***

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

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

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

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

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

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

***Special Revenue Funds:***

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

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

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

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

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

***(c) Fiduciary Funds***

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

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



**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

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***Measurement Focus and Basis of Accounting***

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

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

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

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

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

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

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

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

***Estimates***

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

***Cash and Cash Equivalents***

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

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

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

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***Property Taxes***

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

***Receivables***

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

***Interfund Transactions***

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

The amounts reported on the Statement of Net Position for due to and due from other funds represents amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the interfund transactions during the year ended June 30, 2025, is shown in Note 14 to the financial statements.

***Capital Assets***

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

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

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

***Right to Use Leased Assets***

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

***Inventories***

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

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

***Deferred Outflow of Resources***

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has three items that qualify for reporting in this category. First is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

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change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. In addition, this item includes the District contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date. The third item relates to OPEB reporting in the district wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

***Deferred Inflows of Resources***

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

***Compensated Absences***

The School District's employees are granted vacation leave in varying amounts, based primarily on length of service and employment classification. Some earned vacation benefits may be forfeited if not used within designated timeframes, as specified in collective bargaining agreements and administrative policies.

Sick leave eligibility, accumulation, and payout provisions are governed by negotiated labor agreements and individual employment contracts. Upon retirement, resignation, or death, employees may be eligible to receive payment for unused accumulated sick leave, in accordance with those agreements.

In accordance with GASB, a liability is recognized in the district-wide financial statements for vacation, sick leave, and other compensated absences when the benefit is earned by the employee, and it is more likely than not that the leave will be used or paid. The compensated absences liability is measured using the pay rates in effect at year-end and includes salary-related payments such as applicable employer payroll taxes.

In the fund financial statements, a liability is reported only for amounts that have matured—typically when payment is due upon resignation, retirement, or other termination—based on expendable and available financial resources

***Other Benefits***

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

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

***Short-Term Debt***

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

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

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***Unearned Revenue***

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

***Equity Classifications***

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

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

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

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

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

***(b) Fund Statements***

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

***Non-Spendable***

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

***Restricted Resources***

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

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

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

- ***Reserve for Employees' Retirement Contribution***

The Retirement Contribution Reserve Fund (GML §6-r) (Chapter 260 of the NYS Laws of 2004) is used to reserve funds for the payment of retirement contributions to the New York State and Local Employees' Retirement System. This reserve was established by a Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. A detailed report of the operation and condition of the fund must be provided to the Board. The Board adopted a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, not to exceed a total of 10%. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r. This reserve is accounted for in the General Fund.

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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- ***Reserve for Tax Certiorari***

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

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

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

- ***Unemployment Insurance Reserve***

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

- ***Insurance Reserve***

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

- ***Capital Reserves***

The Capital Reserve is used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the people at any special or annual meeting. Such authorization is further required for payments from the capital reserve. The form of the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in Section 3651 of Education Law. This reserve is accounted for in the General Fund.

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

- ***Debt Service***

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

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

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

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

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***Unrestricted Resources***

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

- ***Committed*** – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision-making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2025.
- ***Assigned*** – Includes amounts that are constrained by the School District’s intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by (a) the Board of Education or (b) the designated official, such as the District’s Purchasing Agent, to which the Board has delegated the authority to assign amounts to be used for specific purposes. All encumbrances, other than capital fund, are classified as Assigned Fund Balance in the applicable fund. The amount appropriated for the subsequent year’s budget of the General fund is also classified as Assigned Fund Balance in the General Fund.
- ***Unassigned*** – Includes all other fund Net Position that do not meet the definition of the above four classifications and are deemed to be available for general use by the School District. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the respective fund.

***New Accounting Standards***

Effective for the fiscal year ended June 30, 2025, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. This standard establishes recognition and measurement guidance for all types of compensated absences, including vacation leave, sick leave, personal leave, and other paid time off. Under GASB 101, a liability is recognized for compensated absences when earned by employees, provided the leave is attributable to services already rendered and is more likely than not to be used or paid.

Prior to the implementation of GASB 101, the District recognized compensated absences liabilities based primarily on vested amounts or payments due at termination. GASB 101 requires the recognition of these liabilities earlier, based on the accrual of leave and historical usage patterns, resulting in a change in the timing and methodology of liability recognition.

The District applied the provisions of GASB 101 prospectively as of July 1, 2024. As a result of the implementation, compensated absences liabilities were remeasured, and a restatement of the beginning net position was made to reflect the cumulative effect of applying the standard. The impact of this restatement is disclosed in note 17 of these financial statements.

***Future Changes in Accounting Standards***

- GASB Statement No. 103, *Financial Reporting Model Improvements*, effective for the year ending June 30, 2026.
- GASB Statement No. 104, *Disclosure of Certain Capital Assets*, effective for the year ending June 30, 2026.

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

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

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

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

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

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

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

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

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

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

**(b) Capital Related Differences**

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

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

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

**(d) OPEB Differences**

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

**(e) Pension Differences**

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

**(f) Employee Benefit Allocation**

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

**3. STEWARDSHIP AND COMPLIANCE**

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

The School District's unreserved, undesignated fund balance was over the New York State Real Property Tax Law §1318 limit, which restricts it to an amount not greater than 4% of the School District's budget for the upcoming school year. At June 30, 2025, the School District's unreserved, unassigned fund balance was 8.90% of the 2025-2026 budget.

***Budgetary Procedures and Budgetary Accounting***

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

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

Appropriations are adopted at the program line-item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.

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

**Change from Adopted Budget to Revised Budget**

Adopted Budget	\$ 49,991,824
Add: Prior Year's Encumbrances	<u>256,790</u>
Original Budget	<u>50,248,614</u>
Final Budget	<u><u>\$ 50,248,614</u></u>

***Encumbrances***

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

***NYS Real Property Tax Cap***

Chapter 97 of the Laws of 2011 established a property tax levy limit (generally referred to as the tax cap) that restricts the amount of property taxes local governments (including school districts) can levy. The tax levy for the 2024-2025 school year was within the NYS Tax Cap Limit. The excess, including interest earned, must be deducted from the prior year levy to begin the calculation of the coming year's tax levy limit.

**4. PARTICIPATION IN BOCES**

During the year ended June 30, 2025, the District was billed \$3,939,217 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$1,762,616. Financial statements for the BOCES are available from the BOCES administrative office.

During the year ended June 30, 2025, the School District issued no debt on behalf of BOCES. However, in prior years', the BOCES issued \$17,505,000 in Revenue Lease Bonds with the Dormitory Authority of the State of New York (DASNY). These bonds will be repaid by the component districts of the BOCES as a lease payment included in the administrative budget of the BOCES over the term of the bonds. The bonds have scheduled principal payments and the outstanding balance at June 30, 2025, was \$14,770,000.

**5. CUSTODIAL AND CONCENTRATION OF CREDIT RISK**

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

As of June 30, 2025, the School District's total bank balances of \$8,602,639 were entirely collateralized or insured by the Federal Insurance Deposit Corporation. Of this amount, \$1,000,000 of the deposits were covered by FDIC and the remainder of the deposits were collateralized with securities held by the pledging financial institution or in its trust department or an agent in the School District's name.



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**NOTES TO BASIC FINANCIAL STATEMENTS**  
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As of June 30, 2025, the School District's restricted cash consisted of the following:

	General	Debt Service	Miscellaneous Special Revenue	Capital	Total
Employee Benefit Accrued Liability Reserve	\$ 243,368	\$	\$	\$	\$ 243,368
Employees' Retirement Contribution Reserve	966,958				966,958
Tax Certiorari Reserve	405,600				405,600
Unemployment Insurance Reserve	92,124				92,124
Workers' Compensation Reserve	375,000				375,000
Insurance Reserve	500,000				500,000
Debt Service		1,129,431			1,129,431
Capital Project	650,000			2,945,778	3,595,778
Endowments Scholarships			9,078		9,078
<b>Total Restricted</b>	<u>\$3,233,050</u>	<u>\$1,129,431</u>	<u>\$ 9,078</u>	<u>\$2,945,778</u>	<u>\$ 7,317,337</u>

***Investment Pool***

The School District participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, as amended, and Article 3-A of the General Municipal Law (Chapter 623 of the Laws of 1998), whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

The following amounts are included as cash equivalents:

Fund	Cost	Fair Value
General Fund	<u>\$ 9,617,933</u>	<u>\$ 9,617,933</u>

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

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

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

Capital asset activity for the year ended June 30, 2025, is as follows:

	Beginning Balance	Prior Period Adjustment	Additions	Deletions	Ending Balance
<b>Capital Assets Not Being Depreciated</b>					
Land	\$ 4,073,888	\$	\$	\$	\$ 4,073,888
Construction in Progress	<u>20,054,061</u>		<u>226,152</u>	<u>19,945,001</u>	<u>335,212</u>
Total	<u>24,127,949</u>		<u>226,152</u>	<u>19,945,001</u>	<u>4,409,100</u>
<b>Capital Assets Being Depreciated</b>					
Land Improvements	7,080,336				7,080,336
Buildings and Improvements	88,184,528		20,088,310		108,272,838
Furniture, Equipment and Vehicles	<u>7,835,059</u>		<u>809,670</u>	<u>1,790,020</u>	<u>6,854,709</u>
Total	<u>103,099,923</u>		<u>20,897,980</u>	<u>1,790,020</u>	<u>122,207,883</u>
<b>Accumulated Depreciation</b>					
Land Improvements	4,011,355		338,195		4,349,550
Buildings and Improvements	32,481,673	(1,236,998)	1,623,211		32,867,886
Furniture, Equipment and Vehicles	<u>5,747,219</u>		<u>516,857</u>	<u>1,659,636</u>	<u>4,604,440</u>
Total	<u>42,240,247</u>	<u>(1,236,998)</u>	<u>2,478,263</u>	<u>1,659,636</u>	<u>41,821,876</u>
<b>Net Capital Assets Being Depreciated</b>	<u>60,859,676</u>	<u>1,236,998</u>	<u>18,419,717</u>	<u>130,384</u>	<u>80,386,007</u>
<b>Net Capital Assets</b>	<u>\$ 84,987,625</u>	<u>\$ 1,236,998</u>	<u>\$ 18,645,869</u>	<u>\$ 20,075,385</u>	<u>\$ 84,795,107</u>

Depreciation expense was allocated to governmental functions as follows:

<u>Function/Program</u>	
General Support	\$ 247,826
Instruction	1,858,698
Pupil Transportation	247,826
School Lunch	<u>123,913</u>
Total Depreciation	<u>\$ 2,478,263</u>

Right to use leased asset activity for the year ended June 30, 2025, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Right to Use Leased Assets</b>				
Leased Equipment	1,608,845	245,381	217,199	1,637,027
<b>Accumulated Amortization</b>				
Leased Equipment	<u>899,861</u>	<u>345,451</u>	<u>217,199</u>	<u>1,028,113</u>
<b>Net Right To Use Assets</b>	<u>\$ 708,984</u>	<u>\$ (100,070)</u>	<u>\$</u>	<u>\$ 608,914</u>

Amortization expense of \$345,451 is charged solely to instruction.

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**7. SHORT-TERM NOTES PAYABLE**

<u>Payable From/Description</u>	<u>Date of Original Issue</u>	<u>Original Amount</u>	<u>Date of Final Maturity</u>	<u>Interest Rate (%)</u>	<u>Outstanding Amount</u>
General Fund					
Reconstruction and Renovation	6/25/25	\$ 5,080,000	6/25/26	4.00	<u>\$ 5,080,000</u>

The School District had Bond Anticipation Note (BAN) activity for the year ended June 30, 2025, as follows:

<u>Description</u>	<u>Outstanding Beginning Balance</u>	<u>Issued</u>	<u>Paid</u>	<u>Outstanding Ending Balance</u>
Governmental Activities				
Reconstruction and Renovation	<u>\$ 2,900,463</u>	<u>\$ 2,250,000</u>	<u>\$ 70,463</u>	<u>\$ 5,080,000</u>

Total interest for the year was as follows:

Interest Paid	<u>\$ 123,270</u>
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**8. NONCURRENT LIABILITIES**

Noncurrent liability balances and activity are as follows:

<u>Description</u>	<u>Outstanding Beginning Balance</u>	<u>Change in Accounting Principle</u>	<u>Additions</u>	<u>Deletions</u>	<u>Outstanding Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities						
Bonds Payable	\$ 37,419,473	\$	\$ 654,703	\$ (3,969,473)	\$ 34,104,703	\$ 4,199,703
Unamortized Premium	<u>5,161,659</u>			<u>(493,520)</u>	<u>4,668,139</u>	<u>493,520</u>
	42,581,132		654,703	(4,462,993)	38,772,842	4,693,223
Lease Liability	401,020			(218,022)	182,998	137,925
OPEB Liability	98,497,528		6,944,818	(10,853,940)	94,588,406	
Compensated Absences	<u>435,038</u>	<u>1,316,753</u>		<u>(96,310)</u>	<u>1,655,481</u>	<u>316,260</u>
Total Governmental Activities	<u>\$ 141,914,718</u>	<u>\$ 1,316,753</u>	<u>\$ 7,599,521</u>	<u>\$ (15,631,265)</u>	<u>\$ 135,199,727</u>	<u>\$ 5,147,408</u>

Serial Bonds – The School District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. The long-term liabilities are full faith and credit debt of the local government. The provision to be made in the General Fund's future budgets for capital indebtedness represents the amount exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

Total interest for the year was as follows:

Interest Paid - Serial Bonds	\$ 2,010,686
Interest Paid - Lease Liability	16,048
Amortized Premiums on Bonds	(493,520)
Less: Interest Accrued in the Prior Year	(82,339)
Plus: Interest Accrued in the Current Year	<u>73,766</u>
Total Interest Expense on Long-Term Debt	<u>\$ 1,524,641</u>

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

The following is a statement of serial bonds outstanding:

Description	Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate (%)	Outstanding Amount
School Improvements	06/13	\$ 24,385,000	06/32	2.00-3.50	\$ 7,510,000
Bus Bond 2021	12/20	\$ 449,892	10/25	1.125-1.20	95,000
Bus Bond 2022	04/22	\$ 370,461	10/26	1.25-2.75	150,000
Bus Bond 2023	10/22	\$ 433,558	10/27	3.75-4.00	240,000
Bus Bond 2024	03/24	\$ 619,473	10/28	3.75	505,000
Bus Bond 2025	06/25	\$ 654,703	10/30	3.75-4.00	654,703
2020 DASNY Bond	06/20	\$ 13,730,000	06/34	5.00	9,705,000
2024 DASNY Bond	06/24	\$ 16,060,000	06/39	5.00	<u>15,245,000</u>
					<u><u>\$ 34,104,703</u></u>

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

For the Year Ending	Serial Bonds			Lease Payables		
June 30,	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 4,199,703	\$ 1,611,445	\$ 5,811,148	\$ 137,925	\$ 7,421	\$ 145,346
2027	4,290,000	1,415,813	5,705,813	44,008	1,224	45,232
2028	3,010,000	1,206,881	4,216,881	1,065	11	1,076
2029	3,060,000	1,073,144	4,133,144			
2030	3,055,000	937,694	3,992,694			
2031-2035	12,245,000	2,640,794	14,885,794			
2036-2039	4,245,000	426,750	4,671,750			
Total	<u>\$ 34,104,703</u>	<u>\$ 9,312,521</u>	<u>\$ 43,417,224</u>	<u>\$ 182,998</u>	<u>\$ 8,656</u>	<u>\$ 191,654</u>

***Special Provisions Affecting Remedies Upon Default***

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

***Unamortized Premium***

The original issue premiums on bonds have been deferred and recorded as an addition to long-term liabilities on the District-wide financial statements. The premiums are being amortized using the straight-line method over 8 to 19 years, the remaining time to maturity of the respective bond issue. The current year amortization is \$493,520 and is included as a reduction to interest expense on the statement of activities.

Deferred Premium from Refunding of Debt	\$ 8,394,495
Less: Amount Recognized	<u>(3,726,356)</u>
Unamortized Premium	<u><u>\$ 4,668,139</u></u>

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

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***Lease Liability***

The District has entered into agreements with the BOCES and other vendors to lease certain equipment such as copiers and other technology equipment. The lease agreements qualify as other than short-term leases under GASB and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of the inception of the agreements. The agreements were executed on various dates ranging from August 10, 2022 to September 1, 2023 and are for a term of 3 years. Annual lease payments for these agreements range from \$14,356 to \$90,681. The lease liability is measured at a discount rates ranging from of 3.193% to 4.664% which is stated in the lease agreements. The District also has two agreements for digital copiers which are amortized using an assumed interest rate of 4.00%. As a result of these leases, the District has recorded a right to use asset with a net book value of \$542,352 at June 30, 2025. The District has made some lump sum payments at the beginning of certain lease agreements and thus there are right to use assets with a net book value of \$66,562 at June 30, 2025 with no corresponding lease liability.

***Compensated Absences***

Compensated absences represent the value of earned and unused portion of the liability for compensated absences. The change in compensated absences is the net change of time awarded, used, paid, or forfeited.

**9. PENSION PLANS**

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

***(a) Plan Description***

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

The Net Position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

***(b) Contributions***

The System is noncontributory for employees who joined prior to July 28, 1976. For employees who joined after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary for the first ten years of membership. Employees who joined on or after January 1, 2010 are required to contribute 3% of their annual salary for their entire working career. Under the authority of the RSSL, the Comptroller certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. All required contributions for the NYSERS fiscal year ended March 31, 2025, were paid.

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

	Amount
2023	\$ 398,699
2024	\$ 472,966
2025	\$ 570,901

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

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

At June 30, 2025, the School District reported a liability of \$1,644,194 for its proportionate share of the net pension liability (asset). The net pension liability was measured as of March 31, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2025 and 2024, the School District's proportion was .009590% and .009844% respectively.

For the year ended June 30, 2025, the School District recognized pension expense of \$432,721. At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 408,100	\$ 19,250
Change of assumptions	68,954	
Net difference between projected and actual earnings on Pensions plan investments	128,999	
Changes in proportion and differences between contributions and proportionate share of contributions	210,773	37,203
Contributions subsequent to the measurement date	163,769	
Total	<u>\$ 980,595</u>	<u>\$ 56,453</u>

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

Year Ended June 30,	Amount
2026	\$ 346,651
2027	\$ 482,628
2028	\$ (102,212)
2029	\$ 33,306
2030	\$ 0
Thereafter	\$ 0

**(d) Actuarial Assumptions**

The total pension liability at March 31, 2025 was determined by using an actuarial valuation as of April 1, 2024, with update procedures used to roll forward the total pension liability to March 31, 2025. The actuarial valuation used the following actuarial assumptions.

Significant actuarial assumptions used in the April 1, 2024 valuation are as follows:

Investment rate of return (net of investment expense, including inflation)	5.90%
Cost of Living Adjustments	1.50%
Salary scale	4.30%
Inflation rate	2.90%

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021.

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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The actuarial assumptions used in the April 1, 2024 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – April 1, 2020.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	25%	3.54%
International equity	14%	6.57%
Private equity	15%	7.25%
Real estate	12%	4.95%
Opportunistic/ARS portfolio	3%	5.25%
Credit	4%	5.40%
Real assets	4%	5.55%
Fixed income	22%	2.00%
Cash	1%	0.25%
	<u>100%</u>	

The real rate of return is net of the long-term inflation assumption of 2.90%.

**(e) Discount Rate**

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

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

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

	Decrease (4.9%)	Assumption (5.9%)	Increase (6.9%)
Proportionate share of the Net Pension liability (asset)	\$ 4,758,504	\$ 1,644,194	\$ (956,257)

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

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

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

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

The School District has recorded an amount due to ERS in amount of \$163,769 at June 30, 2025. This amount represents the three months of the School District's fiscal year that will be covered in the ERS 2025-2026 billing cycle and has been accrued as an expenditure in the current year.

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

**(a) Plan Description**

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

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

**(b) Contributions**

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

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

	Amount
2023	\$ 1,643,378
2024	\$ 1,648,075
2025	\$ 1,754,158

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

At June 30, 2025, the School District reported a net pension liability (asset) of (\$2,558,134) for its proportionate share of the net pension liability(asset). The net pension liability (asset) was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of June 30, 2023. The School District's proportion of the net pension liability (asset) was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2024 and 2023, the School District's proportion was 0.085740% and .083978% respectively.

For the year ended June 30, 2025, the School District recognized a pension expense of \$1,331,071. At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:



**WESTHILL CENTRAL SCHOOL DISTRICT**  
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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,754,641	\$
Changes of assumptions	1,530,283	257,408
Net difference between projected and actual earnings on		
Pensions plan investments		2,842,305
Changes in proportion	344	260,385
Contributions subsequent to the measurement date	<u>1,754,158</u>	
Total	<u>\$ 6,039,426</u>	<u>\$ 3,360,098</u>

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

<u>Year ended June 30:</u>	<u>Amount</u>
2025	\$ (1,396,937)
2026	\$ 3,059,581
2027	\$ (562,466)
2028	\$ (609,192)
2029	\$ 313,185
Thereafter	\$ 120,999

**(d) Actuarial Assumptions**

The total pension liability at June 30, 2024 measurement date was determined by using an actuarial valuation as of June 30, 2023, with update procedures used to roll forward the total pension liability to June 30, 2024. The actuarial valuation used the following actuarial assumptions.

Significant actuarial assumptions used in the June 30, 2023 valuation were as follows:

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

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

Projected COLAs	1.30% compounded annually.
Inflation rate	2.40%

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2021, applied on a generational basis. Active member mortality rates are based on plan member experience.

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

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

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

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the valuation date of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic equity	33.0%	6.6%
International equity	15.0%	7.4%
Global equity	4.0%	6.9%
Real estate equity	11.0%	6.3%
Private equity	9.0%	10.0%
Domestic fixed income	16.0%	2.6%
Global bonds	2.0%	2.5%
Private debt	2.0%	5.9%
Real estate debt	6.0%	3.9%
High-yield bonds	1.0%	4.8%
Cash equivalents	1.0%	0.5%
	<u>100.0%</u>	

\* Real rates of return are net pension plan investment expenses and long-term inflation expectations.

**(e) Discount Rate**

The discount rate used to calculate the total pension liability (asset) at June 30, 2024 was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from school districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease 5.95%	Current Assumption 6.95%	1% Increase 7.95%
Proportionate share of the Net Pension Liability (Asset)	\$ 11,816,170	\$ (2,558,134)	\$ (14,647,310)

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

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

**WESTHILL CENTRAL SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2025**

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

The School District has recorded an amount due to TRS in amount of \$1,754,158 in the General Fund, net of the employees portion at June 30, 2025. This amount represents employer contributions for the 2024-2025 fiscal year that will be made in 2025-2026 and has been accrued as an expenditure in the current year.

**10. POSTEMPLOYMENT HEALTH CARE BENEFITS**

**(a) Plan Description**

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

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

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

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

**(b) Benefits Provided**

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

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

	<u>Total</u>
Inactive employees currently receiving benefit payments	199
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>362</u>
Total	<u><u>561</u></u>

**(d) Total OPEB Liability**

The District's total OPEB liability of \$94,588,406 was measured as of July 1, 2024 and was determined by an actuarial valuation as of July 1, 2024.

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

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

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

	Total OPEB Liability
Balances, June 30, 2024	\$ 98,497,528
Changes recognized for the year:	
Service cost	3,271,151
Interest on Total OPEB Liability	3,673,667
Differences between expected and actual experience	(4,335,109)
Change in assumptions and other inputs	(4,278,275)
Benefit payments	(2,240,556)
Net changes	(3,909,122)
Balances, June 30, 2025	\$ 94,588,406

**(h) Sensitivity of the total OPEB liability to changes in the discount rate**

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

	1% Decrease 2.93%	Current Assumption 3.93%	1% Increase 4.93%
Total OPEB liability	\$ 111,621,050	\$ 94,588,406	\$ 80,981,168

**(i) Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates**

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.50 declining to 3.04 percent) or 1 percentage point higher (7.50 percent declining to 5.04 percent) than the current healthcare cost trend rate:

	1% Decrease	Current Assumption	1% Increase
Total OPEB liability	\$ 79,440,055	\$ 94,588,406	\$ 114,210,570

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

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

For the year ended June 30, 2025, the District recognized OPEB expense of \$6,414,322. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 560,639	\$ 3,715,808
Changes of assumptions	3,953,857	10,484,948
Contributions subsequent to the measurement date	<u>2,524,818</u>	
Total	<u>\$ 7,039,314</u>	<u>\$ 14,200,756</u>

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

Year Ended June 30:	Amount
2026	\$ (15,486)
2027	\$ (1,739,086)
2028	\$ (2,904,804)
2029	\$ (2,401,193)
2030	\$ (1,395,205)
2031 and Thereafter	\$ (1,230,486)

**(f) Actuarial Methods and Assumptions**

The total OPEB liability was determined by an actuarial valuation as of July 1, 2024 with at measurement date of July 1, 2024. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

**Actuarial Assumptions**

Valuation Date	July 1, 2024
Measurement Date	July 1, 2024
Reporting Date	June 30, 2025
Actuarial Cost Method	Entry Age Normal - Level Percent of Pay
Plan Type	Single Employer Defined Benefit Plan
Inflation rate	2.60%
Healthcare Cost Trend Rates	6.50 to 4.04% (8.00 to 3.94% Prior Year)
Discount Rate	3.93% (3.65% Prior Year)
Mortality - Actives	The Pub-2010 Mortality Table for employees: sex distinct, job category-specific, headcount weighted, and adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis.
Mortality - Retirees	The Pub-2010 Mortality Table for healthy retirees: sex distinct, job category-specific, headcount weighted, and adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis.

**Changes to Assumptions and Other Inputs**

Changed the discount rate from 3.65% to 3.93%. The discount rates are inputs taken from the rate for a 20-year high-quality tax-exempt municipal bond index as of each measurement date.

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

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

**11. RISK MANAGEMENT**

***General Information***

The School District is exposed to various risks of loss related to tax certioraris, torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. Except for tax certiorari, these risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years. Sufficient reserves exist to cover any unfavorable settlements of the tax certiorari. The School District continues to carry commercial insurance for all other risks of loss, including general liability and employee health and accident insurance.

***Workers' Compensation Pool***

Westhill Central School District participates with 24 other school districts in the Onondaga-Cortland-Madison Workers' Compensation Consortium. Entities joining the plan must remain members for a minimum of one year; a member may withdraw from the plan after that time by submitting a notice of withdrawal 30 days prior to the plan's year end. Plan members are subject to a supplemental assessment in the event of deficiencies. If the plan's assets were to be exhausted, members would be responsible for the plan's liabilities. The plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the plan as direct insurer of the risks reinsured. The plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims' costs depend on complex factors, the process used in computing claims' liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred but not reported. Adjustments to claims' liabilities are charged or credited to expense in the periods in which they are made. The Consortium is a shared-risk public entity risk pool, whereby each district pays annual premiums based on the expected aggregate claims for all enrollees. Paid claims are also accounted for in the aggregate with individual district activity not being traced separately. Due to this arrangement, a possible contingent liability exists for Westhill Central School District as a result of the possibility that any participating school district may have actual claims less than the annual premium and try to recover its portion due to it through the Consortium participants. During the current year, the School District paid \$200,624 in net fees.

**12. FUND BALANCE**

(a) The following is a summary of the change in General fund restricted reserve funds during the year ended June 30, 2025:

	Beginning			Ending
	Balance	Increases	Decreases	Balance
<b>Restricted</b>				
General Fund				
Employee Benefit Accrued Liability	\$ 241,760	\$ 1,608	\$	\$ 243,368
Retirement Contribution	966,958			966,958
Tax Certiorari	402,921	2,679		405,600
Unemployment Insurance	92,124			92,124
Workers' Compensation	375,000			375,000
Insurance	500,000			500,000
Capital Reserve	650,000			650,000
Total General Fund Restricted	<u>\$ 3,228,763</u>	<u>\$ 4,287</u>	<u>\$</u>	<u>\$ 3,233,050</u>

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

(b) The following is the disaggregation of the fund balance that is reported in summary on the Governmental Fund's Balance Sheet at June 30, 2025:

	General	School Lunch	Special Aid	Miscellaneous Special Revenue	Debt Service	Capital	Total
<b>Nonspendable</b>	\$ 1,004,262	\$ 14,402	\$	\$	\$	\$	\$ 1,018,664
<b>Restricted</b>							
Employee Benefit Accrued Liability Reserve	243,368						243,368
Employees' Retirement Contribution Reserve	966,958						966,958
Tax Certiorari Reserve	405,600						405,600
Unemployment Insurance Reserve	92,124						92,124
Insurance Reserve	500,000						500,000
Workers' Compensation Reserve	375,000						375,000
Debt Service					1,503,174		1,503,174
Capital Project						950,761	950,761
Capital Reserve	650,000						650,000
Endowments and Scholarships				9,078			9,078
<b>Total Restricted</b>	<u>3,233,050</u>			<u>9,078</u>	<u>1,503,174</u>	<u>950,761</u>	<u>5,696,063</u>
<b>Assigned</b>							
General Support	421,421						421,421
Instruction	94,205						94,205
Pupil Transportation	145,746						145,746
Employee Benefits	1,155						1,155
School Lunch		311,910					311,910
Special Aid			6				6
Appropriated for Subsequent Year's Budget	2,954,628						2,954,628
<b>Total Assigned</b>	<u>3,617,155</u>	<u>311,910</u>	<u>6</u>				<u>3,929,071</u>
<b>Unassigned (Deficit)</b>	<u>4,674,441</u>					<u>(3,134,915)</u>	<u>1,539,526</u>
<b>Total Fund Equity (Deficit)</b>	<u>\$ 12,528,908</u>	<u>\$ 326,312</u>	<u>\$ 6</u>	<u>\$ 9,078</u>	<u>\$ 1,503,174</u>	<u>\$ (2,184,154)</u>	<u>\$ 12,183,324</u>

### 13. CONTINGENCIES AND COMMITMENTS

#### *Potential Grantor Liability*

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

#### *Litigation*

The School District is a defendant in tax certiorari cases in which the plaintiffs seek a reduction in assessment and refund on real property taxes paid. The potential estimated loss at June 30, 2025 is approximately \$491,000. Since the amount is not considered probable, no amount has been recorded as a payable.

#### *Construction Commitments*

The School District awarded construction contracts in the amount of \$1,911,885 during the year. Costs for these contracts were not incurred in the current year.

#### *Encumbrances*

Encumbrance accounting is employed as an extension of formal budgetary integration for the General Fund, special revenue funds, and capital projects funds. At June 30, 2025, certain amounts which were previously restricted, committed, or assigned for specific purposes have been encumbered in the governmental funds. The General Fund encumbrances are reflected as part of the assigned fund balance. The other encumbrances are not reflected on the fund financial statements because the assignment would result in a negative unassigned fund balance. Significant encumbrances included in governmental fund balances are as follows:

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2025**

	<u>General</u>
Encumbrances	
General Support	\$ 421,422
Instruction	94,204
Pupil Transportation	145,746
Employee Benefits	<u>1,155</u>
Total Encumbrances	<u><u>\$ 662,527</u></u>

**14. INTERFUND TRANSACTIONS**

The following is a summary of the Interfund Transactions for the year ended June 30, 2025:

Fund Type	<u>Interfund</u>		<u>Interfund</u>	
	Receivables	Payables	Revenues	Expenditures
General	\$ 1,154,164	\$ 326,689	\$ 143,240	\$ 142,197
School Lunch	338		338	143,240
Special Aid		1,130,935	11,781	
Debt Service	373,743			
Capital Fund	323,811	373,743	130,078	
Custodial Fund		<u>20,689</u>		
Total	<u><u>\$ 1,852,056</u></u>	<u><u>\$ 1,852,056</u></u>	<u><u>\$ 285,437</u></u>	<u><u>\$ 285,437</u></u>

- The Interfund receivables and payables exist for cash flow purposes. The balances are considered current and expected to be repaid during the next fiscal year.
- The District transferred \$143,240 from the School Lunch Fund to the General Fund to reimburse expenditures.
- The District transferred \$130,078 from the General Fund to the Capital Fund to finance capital projects.

**15. NET POSITION DEFICIT – DISTRICT-WIDE**

The District-wide Net Position had total net position deficit of \$40,330,180. The deficit is primarily the result of the implementation of GASB Statement 75, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions," which required the recognition of an unfunded liability of \$94,588,406 at June 30, 2025. Since New York State Laws provide no mechanism for funding the liability, subsequent accruals are expected to increase the deficit in subsequent years.

**16. FUND BALANCE DEFICIT**

The Capital Projects Fund had a deficit fund balance of \$2,184,154. This will be funded when the District obtains permanent financing for its current construction project.

**17. RESTATEMENT OF PRIOR YEAR'S FUND BALANCE AND NET POSITION**

The Government-wide prior year's net position was restated as follows:

	<u>General Fund</u>	<u>Government- Wide</u>
Fund Balance/Net Position Beginning of Year, As Previously Stated	<u>\$ 11,093,361</u>	<u>\$ (41,404,394)</u>
Cummulative Effect of Change in Accounting Estimate		
GASB 101, <i>Compensated Absences</i>		(1,316,753)
Correction of an Error - Depreciation on Construction in Progress		1,236,998
Correction of an Error - Compensated Absences	<u>62,450</u>	
Total	<u>62,450</u>	<u>(79,755)</u>
Fund Balance\Net Position Beginning of Year, As Restated	<u><u>\$ 11,155,811</u></u>	<u><u>\$ (41,484,149)</u></u>



**WESTHILL CENTRAL SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**For the Year Ended June 30, 2025**

	Original Budget	Final Budget	Actual		Final Budget Variance With Actual
<b>Revenues</b>					
Local Sources					
Real Property Taxes	\$ 24,641,690	\$ 24,641,690	\$ 22,443,066		\$ (2,198,624)
Other Real Property Tax Items			2,196,598		2,196,598
Nonproperty Tax Items	70,000	70,000	83,255		13,255
Charges for Services	37,500	37,500	51,699		14,199
Use of Money and Property	350,000	350,000	711,495		361,495
Sale of Property and Compensation for Loss	17,000	17,000	49,826		32,826
Miscellaneous	500,000	500,000	626,005		126,005
State Aid	22,142,982	22,142,982	22,523,035		380,053
Federal Aid	195,000	195,000	182,176		(12,824)
Total Revenues	47,954,172	47,954,172	48,867,155		912,983
<b>Other Financing Sources</b>					
Transfers from Other Funds	180,640	180,640	143,240		(37,400)
Appropriated Fund Balance	2,113,802	2,113,802			(2,113,802)
Total Revenues and Other Financing Sources	<u>\$ 50,248,614</u>	<u>\$ 50,248,614</u>	<u>49,010,395</u>		<u>\$ (1,238,219)</u>
	Original Budget	Final Budget	Actual	Year-End Encumbrances	Final Budget Variance With Actual And Encumbrances
<b>Expenditures</b>					
General Support					
Board of Education	\$ 16,088	\$ 16,088	11,396	\$ 375	\$ 4,317
Central Administration	280,465	280,465	269,329		11,136
Finance	523,257	534,142	505,633	623	27,886
Staff	116,363	111,363	98,650	25,000	(12,287)
Central Services	3,637,886	3,772,885	3,049,670	395,424	327,791
Special Items	352,679	341,794	326,122		15,672
Total General Support	4,926,738	5,056,737	4,260,800	421,422	374,515
Instruction					
Instruction, Administration, and Improvement	1,605,294	1,607,295	1,545,594	12,428	49,273
Teaching - Regular School	11,836,929	11,854,329	11,537,301	23,158	293,870
Programs for Children With Special Needs	5,627,363	5,482,762	5,226,183	24,670	231,909
Occupational Education	359,273	359,273	359,273		
Teaching - Special School	63,835	63,835	63,367		468
Instructional Media	1,336,608	1,372,714	1,339,216	18,090	15,408
Pupil Services	2,596,437	2,634,037	2,532,325	15,858	85,854
Total Instruction	23,425,739	23,374,245	22,603,259	94,204	676,782
Pupil Transportation	2,567,031	2,682,031	2,380,755	145,746	155,530
Employee Benefits	12,719,496	12,495,751	11,842,325	1,155	652,271
Debt Service - Principal	3,993,998	4,289,463	4,257,958		31,505
Debt Service - Interest	2,498,612	2,203,147	2,150,004		53,143
Total Expenditures	50,131,614	50,101,374	47,495,101	662,527	1,943,746
<b>Other Financing Uses</b>					
Transfers to Other Funds	117,000	147,240	142,197		5,043
Total Expenditures and Other Financing Uses	<u>\$ 50,248,614</u>	<u>\$ 50,248,614</u>	<u>47,637,298</u>	<u>\$ 662,527</u>	<u>\$ 1,948,789</u>
<b>Net Change in Fund Balances</b>			1,373,097		
<b>Fund Balances - Beginning of Year</b>			11,093,361		
Correction of an Error			62,450		
<b>Fund Balances - End of Year</b>			<u>\$ 12,528,908</u>		

Notes to Required Supplementary Information:

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

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

See Independent Auditor's Report.

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**SCHEDULES OF FUNDING PROGRESS OF OTHER POSTEMPLOYMENT BENEFITS**  
**For the Year Ended June 30, 2025**

	2025	2024	2023	2022	2021	2020	2019	2018 *
Measurement Date	7/1/2024	7/1/2023	7/1/2022	7/1/2021	7/1/2020	7/1/2019	7/1/2018	7/1/2017
Total OPEB Liability								
Service cost	\$ 3,271,151	\$ 3,468,956	\$ 4,210,025	\$ 4,368,127	\$ 2,272,970	\$ 2,572,203	\$ 2,795,686	\$ 3,658,677
Interest on Total OPEB Liability	3,673,667	3,462,703	2,223,152	2,170,552	2,630,960	3,046,231	2,917,455	2,533,750
Change in assumptions and other inputs	(4,278,275)	(1,784,962)	(10,109,293)	1,243,521	16,232,791	(674,242)	2,329,444	(11,535,281)
Changes in benefit terms					(38,162)	(6,334,082)		
Differences between expected and actual experience in the measurement of the total OPEB liability	(4,335,109)		349,551		1,719,119		(8,350,320)	
Benefit payments	(2,240,556)	(1,993,379)	(2,009,568)	(1,897,454)	(1,838,784)	(1,870,373)	(1,720,061)	(1,594,439)
Net change in total OPEB Liability	(3,909,122)	3,153,318	(5,336,133)	5,884,746	20,978,894	(3,260,263)	(2,027,796)	(6,937,293)
Total OPEB Liability - Beginning	98,497,528	95,344,210	100,680,343	94,795,597	73,816,703	77,076,966	79,104,762	86,042,055
Total OPEB Liability - Ending	<u>\$ 94,588,406</u>	<u>\$ 98,497,528</u>	<u>\$ 95,344,210</u>	<u>\$ 100,680,343</u>	<u>\$ 94,795,597</u>	<u>\$ 73,816,703</u>	<u>\$ 77,076,966</u>	<u>\$ 79,104,762</u>
Covered payroll	\$ 18,627,230	\$ 18,104,896	\$ 17,126,902	\$ 16,022,105	\$ 15,335,969	\$ 14,928,549	\$ 14,471,422	\$ 13,925,036
Total OPEB Liability as a percentage of covered payroll	508%	544%	557%	628%	618%	494%	533%	568%

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

**Notes to Required Supplementary Information:**

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

**Actuarial Assumptions**

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

**Changes to Assumptions -**

1. Increased the discount rate from 3.65% to 3.93%. The discount rates are inputs taken from the rate for a 20-year high-quality tax-exempt municipal bond index as of each measurement date.
2. The healthcare trend rate table was updated for 2024 using Getzen model v2025\_1B.

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**SCHEDULE OF LOCAL GOVERNMENT PENSION CONTRIBUTIONS**  
**For the Year Ended June 30, 2025**

<b>ERS Pension Plan</b>										
	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Contractually Required Contribution	\$ 570,901	\$ 472,966	\$ 398,699	\$ 548,014	\$ 491,038	\$ 458,563	\$ 487,980	\$ 466,252	\$ 460,120	\$ 456,995
Contributions in Relation to the Contractually Required Contribution	<u>570,901</u>	<u>472,966</u>	<u>398,699</u>	<u>548,014</u>	<u>491,038</u>	<u>458,563</u>	<u>487,980</u>	<u>466,252</u>	<u>460,120</u>	<u>456,995</u>
Contribution Deficiency (Excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
School District's Covered-ERS Employee Payroll	\$ 3,879,116	\$ 3,751,784	\$ 3,551,865	\$ 3,540,115	\$ 3,480,906	\$ 3,287,761	\$ 3,381,731	\$ 3,233,779	\$ 3,121,255	\$ 3,119,522
Contributions as a Percentage of Covered-Employee Payroll	14.72%	12.61%	11.23%	15.48%	14.11%	13.95%	14.43%	14.42%	14.74%	14.65%
<b>TRS Pension Plan</b>										
	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Contractually Required Contribution	\$ 1,754,158	\$ 1,648,075	\$ 1,643,378	\$ 1,439,100	\$ 1,329,162	\$ 1,213,381	\$ 1,385,559	\$ 1,232,639	\$ 1,359,267	\$ 1,564,412
Contributions in Relation to the Contractually Required Contribution	<u>1,754,158</u>	<u>1,648,075</u>	<u>1,643,378</u>	<u>1,439,100</u>	<u>1,329,162</u>	<u>1,213,381</u>	<u>1,385,559</u>	<u>1,232,639</u>	<u>1,359,267</u>	<u>1,564,412</u>
Contribution Deficiency (Excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
School District's Covered-TRS Employee Payroll	\$ 17,350,722	\$ 16,886,014	\$ 15,970,632	\$ 14,684,694	\$ 13,947,133	\$ 13,695,045	\$ 13,046,695	\$ 12,577,949	\$ 11,597,841	\$ 11,797,979
Contributions as a Percentage of Covered-Employee Payroll	10.11%	9.76%	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%

See Independent Auditor's Report.

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY)**  
**For the Year Ended June 30, 2025**

<b>ERS Pension Plan</b>										
	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
District's proportion of the net pension liability (asset)	0.009590%	0.009844%	0.009877%	0.008866%	0.009435%	0.009638%	0.010201%	0.010078%	0.009994%	0.010129%
District's proportionate share of the net pension liability (asset)	\$ 1,644,194	\$ 1,449,463	\$ 2,118,019	\$ (724,729)	\$ 9,395	\$ 2,638,477	\$ 722,789	\$ 325,259	\$ 939,030	\$ 1,625,803
District's covered-employee payroll	\$ 3,879,116	\$ 3,751,784	\$ 3,551,865	\$ 3,540,115	\$ 3,480,906	\$ 3,287,761	\$ 3,381,731	\$ 3,233,779	\$ 3,121,255	\$ 3,119,522
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	42.39%	38.63%	59.63%	-20.47%	00.27%	80.25%	21.37%	10.06%	30.09%	52.12%
Plan fiduciary net position as a percentage of total pension assets	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%
<b>TRS Pension Plan</b>										
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
District's proportion of the net pension liability (asset)	0.085740%	0.083978%	0.082893%	0.080834%	0.079068%	0.075963%	0.075236%	0.075583%	0.076456%	0.078299%
District's proportionate share of the net pension liability (asset)	\$ (2,558,134)	\$ 960,356	\$ 1,590,624	\$ (14,007,835)	\$ (2,184,862)	\$ 1,973,513	\$ 1,360,463	\$ 574,509	\$ (818,879)	\$ 8,132,801
District's covered-employee payroll	\$ 16,886,014	\$ 15,970,632	\$ 14,684,694	\$ 13,947,133	\$ 13,695,045	\$ 13,046,695	\$ 12,577,949	\$ 11,597,841	\$ 11,797,979	\$ 13,724,791
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-15.15%	6.01%	10.83%	-100.44%	-15.95%	15.13%	10.82%	4.95%	-6.94%	59.26%
Plan fiduciary net position as a percentage of total pension assets	102.10%	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%

See Independent Auditor's Report.

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**SCHEDULES OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET**  
**AND REAL PROPERTY TAX LIMIT**  
**For the Year Ended June 30, 2025**

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**Change from Adopted Budget to Revised Budget**

Adopted Budget	\$ 49,991,824
Add: Prior Year's Encumbrances	<u>256,790</u>
Original Budget	<u>50,248,614</u>
Final Budget	<u>\$ 50,248,614</u>

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

2025-26 Voter-Approved Expenditure Budget	\$ 52,530,811
<b>Maximum Allowed (4% of 2025-26 Budget)</b>	<b><u>\$ 2,101,232</u></b>

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

Unrestricted Fund Balance:		
Assigned Fund Balance	\$ 3,617,155	
Unassigned Fund Balance	<u>4,674,441</u>	
Total Unrestricted Fund Balance		<u>8,291,596</u>

Less:

Appropriated Fund Balance	2,954,628	
Encumbrances included in committed and assigned fund balance	<u>662,527</u>	
Total adjustments		<u>3,617,155</u>

<b>General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law</b>	<b><u>\$ 4,674,441</u></b>
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<b>Actual percentage</b>	<b>8.90%</b>
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**WESTHILL CENTRAL SCHOOL DISTRICT**  
**SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND**  
**For the Year Ended June 30, 2025**

PROJECT TITLE	Original Authorization	Revised Authorization	Expenditures			Unexpended Balance	Methods of Financing				Fund Balance (Deficit) June 30, 2025
			Prior Years	Current Year	Total		Proceeds of Obligations	Federal and State Aid	Local Sources	Total	
<b>Buses</b>											
Buses 2023-2024	620,000	620,000	619,473		619,473	527	619,473			619,473	
Buses 2024-2025	660,000	660,000				660,000	654,703			654,703	654,702
<b>Leased Assets</b>											
2023-24			301,043		301,043	(301,043)	301,043			301,043	
<b>Local Projects</b>											
2023-24	100,000	100,000	97,553		97,553	2,447			97,553	97,553	
2024-25	100,000	100,000		99,838	99,838	162			99,838	99,838	
<b>Smart Schools Bond Act</b>	1,076,116	1,076,116	752,582		752,582	323,534		693,895		693,895	(58,687)
<b>2019 Capital Project</b>	20,183,700	20,183,700	20,173,626	26,647	20,200,273	(16,573)	16,060,000		4,436,332	20,496,332	296,059
<b>2022 Walberta/Cherry Road</b>	1,250,000	1,250,000	928,201		928,201	321,799					(928,201)
<b>2022 Walberta/Cherry Road Emergency Project</b>	765,757	765,757	738,020		738,020	27,737			765,757	765,757	27,737
<b>Purchase of Land and Building - St Ann's</b>	2,750,000	2,750,000	2,749,944		2,749,944	56			750,000	750,000	(1,999,944)
<b>2025 Emergency Capital Project – Westhill High School Roof Structure</b>	80,000	80,000		30,240	30,240	49,760			30,240	30,240	
<b>2024 Capital Project</b>	<u>2,250,000</u>	<u>2,250,000</u>	<u>50,372</u>	<u>195,911</u>	<u>246,283</u>	<u>2,003,717</u>			<u>70,463</u>	<u>70,463</u>	<u>(175,820)</u>
<b>Totals</b>	<u>\$ 29,835,573</u>	<u>\$ 29,835,573</u>	<u>\$ 26,410,814</u>	<u>\$ 352,636</u>	<u>\$ 26,763,450</u>	<u>\$ 3,072,123</u>	<u>\$ 17,635,219</u>	<u>\$ 693,895</u>	<u>\$ 6,250,183</u>	<u>\$ 24,579,297</u>	<u>\$ (2,184,154)</u>

See Independent Auditor's Report.

**WESTHILL CENTRAL SCHOOL DISTRICT**  
**NET INVESTMENT IN CAPITAL ASSETS**  
**For the Year Ended June 30, 2025**

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Right to Use Leased Assets, Net	\$ 608,914
Capital Assets, Net	<u>84,795,107</u>
	<u>85,404,021</u>
Add:	
Capital Fund Unspent Debt Proceeds	<u>2,954,533</u>
Deduct:	
Short-Term - Bond Anticipation Note	5,080,000
Less Unspent Debt Proceeds	(2,572,035)
Lease Liability	182,998
Long-Term - Serial Bonds Payable	34,104,703
Premium on Bonds Payable	<u>4,668,139</u>
	<u>41,463,805</u>
Net Investment in Capital Assets	<u>\$ 46,894,749</u>

See Independent Auditor's Report.

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

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

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

Board of Education

Westhill Central School District, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Westhill Central School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Westhill Central School District's basic financial statements, and have issued our report thereon dated September 22, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

*D'Arcangelo & Co., LLP*

September 22, 2025

Rome, New York





**WESTHILL**<sup>TM</sup>  
CENTRAL SCHOOL DISTRICT

JEREMIE D. AUGE  
Assistant Superintendent for  
Curriculum and Instruction  
Phone (315) 426-3272

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

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

### **CERTIFICATION OF DISTRICT CLERK**

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

19. D'Arcangelo & Co., LLP - 2024-2025 Independent Audit

"Be it resolved, upon the recommendation of the Superintendent, the 2024-25 Independent Audit Report as presented and provided by D'Arcangelo & Co., LLP be accepted and approved."

was adopted by the required majority (5 yes, 0 no) of the Board of Education at its regular meeting held on September 22, 2025.

*Laurie J. Lowe*

Laurie Lowe, District Clerk

September 29, 2025