

Application for
Incomplete Team

Occasionally a district will have a student athlete that has developed an interest and sufficient skill to compete in a sport not offered by the school district. A district may elect to petition Section V for an Incomplete Team in a particular sport. Please fill out the information requested by Section V for consideration.

School District requesting an Incomplete Team: East Rochester UFSD

Sport (include level, i.e.: mod, JV, varsity): Varsity Alpine Skiing

Student(s) Name: Sean Flanagan, Tanner Swaggler, TJ Swaggler

Date of home district Board of Education resolution approving Incomplete Team: _____

Name of host school: Pittsford Central School District

Date of BOE resolution accepting responsibility for student(s) if applicable: _____

Name of certified coach assigned to this Incomplete Team: Brendan Mauks

Date of host district BOE resolution appointing coach for the Incomplete Team: _____

Signatures: (Home School)

Mark D. Linton

Superintendent of School

J A O'Connell

High School Principal

Athletic Director

Please submit the completed application to:

Kathy Hoyt
Section V Executive Director
131 Drumlin Court – Maple Bldg.
Newark, NY 14513
Fax (315)-332-7343 or scan to khoyt@wflboces.org

NOTES:

Please remember to consider items such as transportation to and from practice and contests. It is also imperative that schools competing against a district that is hosting an Incomplete Team be notified by either the host AD or the AD requesting an Incomplete Team that such a student-athlete will be participating. This is especially important in keeping track of the number of contests our athletes may participate in. Once approved, the Executive Director will notify the Student-Athlete's school, the host school, the league(s) involved and the respective Section V sport coordinator. Incomplete Teams do not impact calculations for determining classifications.

To: Board of Education, East Rochester Union Free Schools
From: Diana Luce, Library Media Specialist, 6 – 12 Library
Date: November 3, 2017
Re: Request to Remove Books from Library Catalog

Request to Remove Books from the Library Catalog

The library requests permission to remove approximately 300 fiction books from the library's catalog.

This step is the beginning of a year-long project to reorganize the library's fiction books by genre categories instead of by author. Currently, books are shelves by the author's last name, but we often have students asking for help finding "sports" books or "mystery" books. Our current organizational scheme is not useful for them. We believe organizing the library by genre will help them more easily identify books they like and encourage independent reading. Many libraries are moving in this direction and many have reported a significant increase in their circulation, as a result.

In order to make the process more effective, we seek to remove books that haven't circulated in many years. None of the books on the attached list have been checked out since 2009. With a few exceptions, all of the books were published prior to 2010. The exceptions are where we have duplicate copies.

Plan of Action

- 1) I will check with Roxanne Willard to confirm that she doesn't need any of these fiction books for the elementary library.
- 2) I will offer the books to teachers for use in their classrooms.
- 3) I will offer the books to students for their own personal libraries.
- 4) Any remaining books will be donated to the East Rochester Public Library or recycled.

Thank you for considering this request.

10/3/17
May Luce

MDL 10/6/17

Discarded Books - Nov 2017

Abrahams, Peter. *Behind the curtain : an Echo Falls mystery*. New York: Laura Geringer Books/Harper Trophy, 2007. Print.

---. *Down the rabbit hole : an Echo Falls mystery*. New York: Laura Geringer Books, 2006. Print.

Adams, Douglas. *Dirk Gently's Holistic Detective Agency*. New York: Pocket Books, 1988. Print.

Adams, Richard. *Tales from Watership Down*. New York: Avon Books, 1996. Print.

Adkins, Jan. *A storm without rain*. New York, NY: A Beech Tree Paperback Book, 1993. Print.

Allende, Isabel. *City of the beasts*. New York: HarperTrophy, 2004. Print.

---. *Forest of the Pygmies*. New York: HarperCollins, 2005. Print.

---. *Kingdom of the Golden Dragon*. New York: HarperCollins, 2004. Print.

Almond, David. *Counting stars*. New York: Delacorte Press, 2002. Print.

---. *The fire-eaters*. New York: Delacorte Press, 2004. Print.

---. *Heaven Eyes*. New York: Dell Laurel-Leaf, 2002. Print.

---. *Raven summer*. New York: Delacorte Press, 2008. Print.

---. *Secret heart*. New York: Delacorte Press, 2002. Print.

Alvarez, Julia. *Finding miracles*. New York: Knopf, 2004. Print.

Amory, Jay. *The fledging of Az Gabrielson*. London: 2006. Print.

Anderson, Jodi L. *Love and peaches : a novel*. New York: HarperTeen, 2008. Print.

---. *Peaches : a novel*. New York: HarperTrophy, 2006. Print.

---. *The secrets of peaches : a novel*. New York: HarperTempest, 2007. Print.

Anderson, Laurie H. *Catalyst*. New York: Speak, 2003. Print.

Andrews, V C. *Brooke*. Thorndike, Me.: G.K. Hall, 1998. Print.

---. *Butterfly*. Thorndike, Me.: G.K. Hall, 1998. Print.

- . *Crystal*. Thorndike, Me., USA: G.K. Hall, 1998. Print.
- . *The end of the rainbow*. New York: Pocket Star Books, 2001. Print.
- . *Eye of the storm*. New York: Pocket Star Books, 2000. Print.
- . *Heart song*. New York: Pocket Star, 1997. Print.
- . *Honey*. New York: Pocket Books, 2001. Print.
- . *Ice*. New York: Pocket, 2001. Print.
- . *Into the garden*. Thorndike, Me.: G.K. Hall, 2000. Print.
- . *Lightning strikes*. New York: Pocket Star Books, 2000. Print.
- . *Melody*. New York: Pocket Books, 1996. Print.
- . *Music in the night*. Thorndike, Me.: G.K. Hall & Co., 1999. Print.
- . *Olivia*. Thorndike, Me.: G.K. Hall, 1999. Print.
- . *Rain*. New York: Pocket Books, 2000. Print.
- . *Raven*. Thorndike, Me.: G.K. Hall & Co., 1999. Print.
- . *Rose*. New York: Pocket Books, 2001. Print.
- . *Runaways*. Thorndike, Me.: G.K. Hall, 1999. Print.
- . *Unfinished symphony*. New York: Pocket Books, 1997. Print.
- Andrews, VC. *The Wildflowers: Cat : The Fourth Novel in the Exciting New Series /*. New York: Pocket Books, 1999. Print.
- . *The Wildflowers: Jade : The Third Novel in the Exciting New Series /*. New York: Pocket Books, 1999. Print.
- . *The Wildflowers: Misty : The First Novel in the Exciting New Series /*. New York: Pocket Books, 1999. Print.
- Antieau, Kim. *Broken moon*. New York: Margaret K. McElderry Books, 2007. Print.
- Archer, Jeffrey. *As the crow flies*. New York: HarperCollins, 1991. Print.
- . *The fourth estate*. New York: HarperCollinsPublishers, 1996. Print.

- . *Not a penny more, not a penny less*. New York: HarperPaperbacks, 1994. Print.
- Armistead, John. *The return of Gabriel*. Minneapolis: Milkweed Editions, 2002. Print.
- Armstrong, Jennifer. *Becoming Mary Mehan : two novels*. New York: Dell Laurel-leaf, 2002. Print.
- . *Shattered : stories of children and war*. New York: Knopf, 2002. Print.
- Armstrong, Kelley. *Broken Bk 6 Women of the Otherworld*. New York: Bantam Books, 2006. Print.
- . *Dime Store Magic Bk 3 Women of the Otherworld*. New York: Bantam, 2004. Print.
- Arnold, Tedd. *Rat life*. New York: Sleuth Dial, 2007. Print.
- Atkins, Catherine. *When Jeff comes home*. New York: Puffin, 2001. Print.
- Atwater-Rhodes, Amelia. *Demon in My View #2 Den of Shadows Series*. New York: Delacorte Press, 2000. Print.
- . *Falcondance #3 The Kiesha'ra Series*. New York: Delacorte Press, 2005. Print.
- . *Hawksong #1 The Kiesha'ra Series*. New York: Delacorte Press, 2003. Print.
- . *In the Forests of the Night #1 Den of Shadows Series*. New York: Delacorte Press, 1999. Print.
- . *Midnight Predator #4 Den of Shadows Series*. New York: Delacorte Press, 2002. Print.
- . *Shattered Mirror #3 Den of Shadows Series*. New York: Delacorte Press, 2001. Print.
- . *Snakecharm #2 The Kiesha'ra Series*. New York: Delacorte Press, 2004. Print.
- . *Wolfcry #4 The Kiesha'ra Series*. New York: Delacorte Press, 2006. Print.
- . *Wyvernhaul #5 The Kiesha'ra Series*. New York: Delacorte Press, 2007. Print.
- Avi. *The true confessions of Charlotte Doyle*. New York: Avon, 2003. Print.
- Banks, Lynne R. *The dungeon*. New York: HarperCollins, 2002. Print.
- Banks, Lynne R.1. *One more river / Lynne Reid Banks*. New York : Avon Books, 1993, c1992: 1993. Print.
- Barker, Clive. *Abarat*. New York: Joanna Cotler Books, 2002. Print.
- . *Days of magic, nights of war*. New York: Joanna Cotler Books, 2004. Print.

- Barron, T A. *The Ancient One #2 Adventures of Kate Trilogy*. New York: TOR, 1994. Print.
- . *The Fires of Merlin #3 The Lost Years of Merlin Epic*. New York: Philomel Books, 1998. Print.
- . *The Lost Years of Merlin #1 The Lost Years of Merlin Epic*. New York: Ace Books, 1999. Print.
- . *The Merlin Effect #3 Adventures of Kate Trilogy*. New York: Tor, 1996. Print.
- . *The Mirror of Merlin #4 The Lost Years of Merlin Epic*. New York: Philomel Books, 1999. Print.
- . *The Seven Songs of Merlin #2 The Lost Years of Merlin Epic*. New York: Philomel Books, 1997. Print.
- . *The Wings of Merlin #5 The Lost Years of Merlin Epic*. New York: Philomel Books, 2000. Print.
- Barron, T.A. *Heartlight #1 Adventures of Kate Trilogy*. New York, NY: Tom Doherty, 1990. Print.
- Bates, A. *The dead game*. New York: Scholastic, 1992. Print.
- Bates, Judy F. *Midnight at the Dragon Café*. Cambridge, MA: Counterpoint, 2005. Print.
- Bauer, Cat. *Harley, like a person*. Delray Beach, Fla.: Winslow Press, 2000. Print.
- Beale, Fleur. *I am not Esther*. Hyperion, 2002. Print.
- Beaufrand, Mary J. *Primavera*. New York: Little, Brown, 2008. Print.
- Becker, Walt. *Link : a novel*. New York: William Morrow, 1998. Print.
- Bell, Clare. *Ratha's creature*. New York: Dell, 1987. Print.
- Bell, Hilari. *Flame*. New York: Simon & Schuster Books for Young Readers, 2003. Print.
- . *A matter of profit*. New York: HarperCollins, 2001. Print.
- . *Songs of power*. New York: Hyperion, 2000. Print.
- Bell, William. *Zack*. New York: Simon & Schuster Books for Young Readers, 1999. Print.
- Benchley, Nathaniel. *Beyond the mists : a novel*. New York: Harper & Row, 1975. Print.
- . *Bright candles; a novel of the Danish resistance*. New York: Harper Row, 1974. Print.
- . *A necessary end : a novel of World War II*. New York: Harper & Row, 1976. Print.

- Bennett, Cherie. *Life in the fat lane*. New York: Delacorte Press, 1998. Print.
- Bennett, James W. *Dakota dream*. New York: Scholastic, 1994. Print.
- Bennett, Jay. *Death grip*. New York: Fawcett Juniper, 1993. Print.
- Bennett, Veronica. *Cassandra's sister*. Cambridge, Mass.: Candlewick Press, 2007. Print.
- Berent, Mark. *Rolling thunder / Mark Berent*. New York : Jove, c1989.: 1989. Print.
- Bernardo, Anilú. *Loves me, loves me not*. Houston, Tex.: Pinata Books/Arte Publico Press, 1999. Print.
- Berry, Bertice. *The haunting of hip hop : a novel*. New York: Harlem Moon/Broadway Books, 2002. Print.
- . *Redemption song : a novel*. New York: One World/Ballantine Pub. Group, 2001. Print.
- Bester, Alfred, Alex Eisenstein, and Phyllis Eisenstein. *The stars my destination*. New York: Vintage Books, 1996. Print.
- Binchy, Maeve. *Heart and soul*. New York: Anchor Books, 2010. Print.
- Bird, Isobel. *Blue moon*. New York: Avon Books, 2001. Print.
- Black, Jonah. *The black book. Vol. 1, Girls, girls, girls : diary of a teenage stud*. New York: Avon Books, 2001. Print.
- . *The black book. Vol. II, Stop, don't stop : diary of a teenage stud*. New York: Avon, 2001. Print.
- . *The black book. Vol. III, Run, Jonah, run : diary of a teenage stud*. New York: Avon Books, 2001. Print.
- Blackman, Malorie. *Knife edge*. New York: Simon & Schuster Books for Young Readers, 2007. Print.
- Blatty, William P. *The exorcist / William Peter Blatty*. Toronto: Bantam Books, 1972. Print.
- Block, Francesca L. *Dangerous Angels : the Weetzie Bat Books 1-5*. New York: HarperCollins, 1998. Print.
- . *Echo*. New York: HarperCollins, 2001. Print.
- . *The Hanged Man*. New York: HarperCollins, 1994. Print.
- . *I was a teenage fairy*. New York: Joanna Cotler, 2000. Print.
- Bloor, Edward. *Crusader*. Orlando, Fla.: Harcourt, 2007. Print.
- . *London calling*. Orlando: Harcourt, 2005. Print.

- . *Story time*. New York: Scholastic Press, 2002. Print.
- . *Tangerine*. New York: Scholastic, 1998. Print.
- Bondoux, Anne-Laure, and Y Maudet. *The killer's tears*. New York: Delacorte Press, 2006. Print.
- Bradley, Marion Z. *The Fall of Atlantis / The Atlantean Series*. New York: Baen, 1987. Print.
- . *The Forest House / #2 Avalon Series*. New York: Viking, 1994. Print.
- . *Ghostlight / #1 Shadow's Gate Series*. New York: Tor Books, 1995. Print.
- . *Lady of Avalon / #3 Avalon Series*. New York, N.Y.: Viking, 1997. Print.
- Bradley, Marion Z., and Diana L. Paxson. *Priestess of Avalon / #4 Avalon Series*. New York: ROC, 2002. Print.
- Brashares, Ann. *Girls in pants : the third summer of the sisterhood*. New York: Delacorte Press, 2005. Print.
- . *The here and now*. New York: Delacorte Press, 2014. Print.
- . *The sisterhood of the traveling pants*. New York: Delacorte, 2001. Print.
- Brooks, Bruce. *Midnight hour encores*. New York: HarperTrophy, 1988. Print.
- . *The moves make the man : a novel*. New York: HarperCollins, 1984. Print.
- . *What hearts*. New York: HarperTrophy, 1995. Print.
- Brooks, Kevin. *Martyn Pig : a novel*. New York: Scholastic, 2002. Print.
- Brooks, Terry. *The Druid of Shannara*. New York: Ballantine, 1992. Print.
- . *The druids' keep*. New York: Ballantine Books, 2003. Print.
- . *The Elf Queen of Shannara : Book Three in the Heritage of Shannara*. New York: Ballantine, 1992. Print.
- . *First king of Shannara*. New York: Ballantine Books, 1997. Print.
- . *Morgawr*. New York: Del Rey, 2002. Print.
- . *The scions of Shannara*. New York: Ballantine, 1991. Print.
- Brooks, Terry, and Darrell K. Sweet. *The Elfstones of Shannara*. New York: Ballantine Books, 1989. Print.

- Brooks, Terry. *The sword of Shannara*. New York: Ballantine Books, 1977. Print.
- . *The talismans of Shannara*. New York: Ballantine Books, 1993. Print.
- . *The wishsong of Shannara*. New York: Ballantine Books, 1985. Print.
- Browne, N M. *Hunted*. New York: Bloomsbury, 2002. Print.
- . *Warriors of Alavna*. New York: Bloomsbury Children's Books, 2002. Print.
- Bruchac, Joseph. *Pocahontas*. Orlando, Fla.: Harcourt, 2003. Print.
- . *Sports shorts : an anthology of short stories*. Plain City, Ohio: Darby Creek Pub., 2005. Print.
- . *The winter people*. New York: Dial Books, 2002. Print.
- Brugman, Alyssa. *Being Bindy*. New York: Delacorte Press, 2006. Print.
- Buffie, Margaret. *Angels turn their backs*. Toronto: Kids Can Press, 1998. Print.
- Bujor, Flavia. *The prophecy of the Stones*. New York: Miramax Books/Hyperion Books for Children, 2004. Print.
- Bunting, Eve. *The Presence*. New York: Clarion Books, 2003. Print.
- Butler, Robert O. *A good scent from a strange mountain : stories*. New York: Penguin Books, 1993. Print.
- Cabot, Meg. *Jinx*. New York: HarperTeen, 2007. Print.
- Cadnum, Michael. *Blood gold*. New York: Viking, 2004. Print.
- Caldwell, Ian, and Dustin Thomason. *The rule of four*. New York: Dial Press, 2004. Print.
- Caletti, Deb. *The queen of everything*. New York: Simon Pulse, 2002. Print.
- Cameron, Ann. *Colibrí*. New York: Farrar Straus Giroux, 2003. Print.
- Campbell, Bethany. *Don't talk to strangers / Bethany Campbell*. New York : Berkley Books, c1995: Bantam Books, 1996. Print.
- Cappo, Nan W. *Cheating lessons : a novel*. New York: Atheneum Books for Young Readers, 2002. Print.
- Carey, Janet L. *Stealing death*. New York: Egmont USA, 2009. Print.
- Carlson, Melody. *Homecoming queen*. Grand Rapids, Mich.: Zondervan, 2008. Print.

- Carr, Caleb. *The alienist*. New York: Random House, 1994. Print.
- . *The Italian secretary : a further adventure of Sherlock Holmes*. New York: Carroll & Graf, 2005. Print.
- . *Killing time : a novel of the future*. New York: Random House, 2000. Print.
- Cast, P C., and Kristin Cast. *Chosen #3 A House of Night Novel*. New York: St. Martin's Griffin, 2008. Print.
- . *Marked #1 A House of Night Novel*. New York: St. Martin's Griffin, 2007. Print.
- Castellucci, Cecil. *Tin star*. New York: Roaring Brook Press, 2014. Print.
- Castrovilla, Selene. *Saved by the music*. Lodi, NJ: WestSide Books, 2009. Print.
- Chabon, Michael. *Summerland*. New York: Miramax Books/Hyperion Books for Children, 2004. Print.
- Chadda, Sarwat. *The Savage Fortress*. New York: Arthur A. Levine Books, 2012. Print.
- Chen, Da. *Wandering warrior*. New York: Delacorte Press, 2003. Print.
- Cheng, Terrence. *Deep in the Mountains: an encounter with Zhu Qizhan*. Waston-Guptill Publications, 2007. Print.
- Chester, Kate. *Death in the afternoon*. New York: Scholastic, 1996. Print.
- . *Missing!*. New York: Scholastic, 1996. Print.
- . *Playing with fire*. New York: Scholastic, 1997. Print.
- . *Sudden death*. New York: Scholastic, 1997. Print.
- . *A Time of Fear*. New York, New York: Scholastic, 1996. Print.
- Clark, Carol H. *Wrecked*. New York: Scribner, 2010. Print.
- Clark, Catherine. *Truth or dairy*. New York: Harper Tempest, 2000. Print.
- . *Wurst case scenario*. New York: HarperCollins, 2001. Print.
- Clark, Mary H. *All around the town*. New York: Pocket Books, 1993. Print.
- . *All through the night*. New York: Simon and Schuster, 1998. Print.
- . *The Anastasia syndrome : and other stories*. New York: Pocket Books, 1991. Print.

- . *Before I say good-bye*. New York: Simon & Schuster, 2000. Print.

- . *The cradle will fall*. New York: Pocket, 1991. Print.

- . *Daddy's little girl*. New York: Simon & Schuster, 2002. Print.

- . *I'll be seeing you : a novel*. New York: Simon & Schuster, 1993. Print.

- . *Let me call you sweetheart*. New York: Pocket, 1996. Print.

- . *The lottery winner : Alvira and Willy stories*. New York: Pocket Books, 1995. Print.

- . *Loves music, loves to dance*. New York: Pocket, 1991. Print.

- . *Moonlight becomes you*. New York: Pocket Books, 1997. Print.

- . *My gal Sunday*. New York: Simon & Schuster, 1996. Print.

- . *Nighttime is my time*. New York: Simon & Schuster, 2004. Print.

- . *Pretend you don't see her : a novel*. New York: Simon & Schuster, 1997. Print.

- . *Remember me*. New York: Simon & Schuster, 1994. Print.

- . *The second time around*. New York: Simon and Schuster, 2003. Print.

- . *Silent night*. New York: Pocket Books, 1995. Print.

- . *Stillwatch*. New York: Dell, 1988. Print.

- . *A stranger is watching*. New York: Pocket, 1991. Print.

- . *Weep no more, my lady*. Simon & Schuster, 1988. Audio recording.

- . *We'll meet again*. New York: Simon & Schuster, 1999. Print.

- . *Where are the children?*. New York: Pocket, 1992. Print.

- . *While my pretty one sleeps : a novel*. New York: Simon and Schuster, 1989. Print.

- . *You belong to me*. New York: Simon & Schuster, 1998. Print.

- Clarke, Arthur C. *2061 : odyssey three*. New York: Ballantine Books, 1989. Print.

- . *3001 : the final odyssey*. New York: Ballantine Books, 1998. Print.
- . *Childhood's end*. New York: Ballantine Books, 1953. Print.
- Clarke, Arthur C., and Gentry Lee. *The garden of Rama*. New York: Bantam Books, 1992. Print.
- . *Rama II*. New York: Bantam Books, 1989. Print.
- . *Rama revealed*. New York: Bantam Books, 1994. Print.
- Clarke, Arthur C. *Rendezvous with Rama*. New York: Harcourt Brace Jovanovich, 1973. Print.
- Clarke, Judith. *Wolf on the fold*. Asheville, N.C.: Front Street, 2002. Print.
- Coben, Harlan. *Seconds Away : a Mickey Bolitar novel*. New York, NY: G. P. Putnam's Sons, 2012. Print.
- Cochran, Molly, and Warren Murphy. *World without end*. New York: Tor, 1996. Print.
- Cochran, Thomas. *Roughnecks*. New York, NY: Harcourt Brace & Company, 1997. Print.
- Cohn, Rachel. *Shrimp*. New York: Simon & Schuster, 2006. Print.
- . *You know where to find me*. New York: Simon & Schuster Books for Young Readers, 2008. Print.
- Colfer, Eoin. *The Wish List*. New York: Scholastic, 2004. Print.
- Collins, Suzanne. *Catching Fire #2 The Hunger Games Trilogy*. New York: Scholastic Press, 2009. Print.
- . *The Hunger Games #1 The Hunger Games Trilogy*. New York: Scholastic Press, 2008. Print.
- . *Mockingjay #3 The Hunger Games Trilogy*. New York: Scholastic Press, 2010. Print.
- Conly, Jane L. *While no one was watching*. New York: Holt, 1998. Print.
- Cook, Thomas H. *Red leaves*. Orlando, Fla.: Harcourt, 2005. Print.
- Cooney, Caroline B. *Don't Blame the Music*. New York: Pacer Books, 1986. Print.
- . *Driver's Ed*. New York: Bantam Doubleday Dell Books for Young Readers, 1996. Print.
- . *Fatality*. New York: Scholastic, 2001. Print.
- . *Flash Fire*. New York: Scholastic, 1995. Print.

- . *The Terrorist*. New York: Scholastic, 1999. Print.
- . *Whatever Happened to Janie?*. New York: Delacorte Press, 1993. Print.
- Coonts, Stephen. *Flight of the Intruder*. Annapolis, Md.: Naval Institute Press, 1986. Print.
- Cormier, Robert. *Beyond the chocolate war : a novel*. New York: Dell Laurel-leaf, 1986. Print.
- . *The chocolate war*. New York: Dell Laurel-Leaf, 2000. Print.
- . *In the middle of the night*. New York: Delacorte Press, 1995. Print.
- . *The rag and bone shop : a novel*. New York: Delacorte Press, 2001. Print.
- . *Tenderness : a novel*. New York: Delacorte Press, 1997. Print.
- Cornwell, Patricia D. *All that remains*. New York: Avon Books, 1992. Print.
- . *Black notice*. New York: Random House Large Print, 1999. Print.
- . *Blow fly*. New York: Berkley, 2004. Print.
- . *The body farm : a novel*. New York: Scribner's, 1994. Print.
- . *Cause of death*. New York: Berkley Books, 1997. Print.
- . *Cruel and unusual*. Thorndike, Me.: G.K. Hall, 1993. Print.
- . *From Potter's field*. New York: Berkley, 1996. Print.
- . *Hornet's nest*. New York: G.P. Putnam's Sons, 1996. Print.
- . *Point of origin*. New York: Berkley Books, 1999. Print.
- . *Postmortem*. New York: Pocket Books, 1998. Print.
- . *Southern cross*. New York: G.P. Putnam's Sons, 1998. Print.
- . *Unnatural exposure*. New York: Berkley, 1998. Print.
- Crew, Linda. *Children of the river*. New York: Bantam Doubleday Dell Books for Young Readers, 1991. Print.
- Crichton, Michael 1. *Disclosure : a novel / by Michael Crichton*. New York : Ballantine Books, c1994: 1994. Print.

Crichton, Michael. *The 13th warrior : the manuscript of Ibn Fadlan, relating his experiences with the Northmen in A.D. 922*. New York: Ballantine Books, 1992. Print.

---. *Airframe*. New York: Alfred Knopf, 1996. Print.

---. *Travels*. New York: Ballantine Books, 1993. Print.

Croggon, Alison. *The crow*. Cambridge, Mass.: Candlewick Press, 2008. Print.

---. *The Naming #1*. Cambridge, Mass.: Candlewick Press, 2006. Print.

---. *The Riddle #2*. Cambridge, MA: Candlewick Press, 2006. Print.

---. *The singing #4*. Somerville, Mass.: Candlewick Press, 2009. Print.

Cross, Gillian. *Tightrope*. New York: Holiday House, 1999. Print.

Crutcher, Chris. *Athletic shorts : six short stories*. New York: Greenwillow, 1991. Print.

---. *Ironman : a novel*. New York: Bantam Doubleday Dell Books for Young Readers, 1996. Print.

---. *Stotan!*. New York: Bantam Doubleday Dell Books for Young Readers, 1988. Print.

Dashner, James. *The Death Cure #3 the Maze Runner Trilogy*. New York: Delacorte Press, 2011. Print.

Dessen, Sarah. *Keeping the moon*. New York: Viking, 1999. Print.

---. *The truth about forever*. New York: Speak, 2006. Print.

Deuker, Carl. *Gym Candy*. Boston: Houghton Mifflin, 2007. Print.

Friend, Natasha. *Lush*. New York: Scholastic Press, 2006. Print.

Haddix, Margaret P. *Among the Betrayed #3 Shadow Children*. New York: Simon & Schuster Books for Young Readers, 2002. Print.

---. *Among the Brave #5 Shadow Children*. New York: Aladdin Paperbacks, 2005. Print.

---. *Among the Enemy #6 Shadow Children*. New York: Aladdin Paperbacks, 2006. Print.

---. *Among the Free #7 Shadow Children*. New York: Aladdin Paperbacks, 2007. Print.

---. *Among the Impostors #2 Shadow Children*. New York: Aladdin Paperbacks, 2002. Print.

---. *Leaving Fishers*. New York: Simon Pulse, 2004. Print.

- . *Running Out of Time*. New York, Ny: Aladdin, 1995. Print.
- . *Sabotaged #3 The Missing*. New York: Simon & Schuster Books for Young Readers, 2010. Print.
- . *Sent #2 The Missing*. New York: Simon & Schuster Books for Young Readers, 2009. Print.
- Hopkins, Ellen. *Burned #1 Burned*. New York: Margaret K. McElderry Books, 2006. Print.
- Horowitz, Anthony. *Point blank #2 Alex Rider*. New York: Philomel Books, 2002. Print.
- . *Skeleton Key #3 Alex Rider*. New York: Philomel Books, 2003. Print.
- Howe, James. *The color of absence : 12 stories about loss and hope*. New York: Atheneum Books for Young Readers, 2001. Print.
- Hudson, Jeffrey. *A case of need*. New York: Signet, 1969. Print.
- Lockhart, E. *Real Live Boyfriends #4 Ruby Oliver Series*. New York: Delacorte Press, 2010. Print.
- Mackler, Carolyn. *The earth, my butt, and other big round things*. Cambridge, MA: Candlewick Press, 2003. Print.
- Maguire, Gregory. *Confessions of an Ugly Stepsister*. New York: HC, 2000. Print.
- Myers, Walter D. *Handbook for boys : a novel*. New York: HarperTrophy, 2003. Print.
- . *Monster*. New York: HarperCollins, 1999. Print.
- . *Scorpions*. New York: HarperCollins, 1988. Print.
- . *Street love*. New York: Amistad/HarperTempest, 2006. Print.
- . *Sunrise over Fallujah*. New York: Scholastic Press, 2008. Print.
- Nolan, Han. *Born Blue*. San Diego: Harcourt, 2001. Print.
- Patterson, James. *Max #5 Maximum Ride*. New York: Little, Brown and Co. Large Print, 2009. Print.
- . *Saving the World and Other Extreme Sports #3 Maximum Ride*. New York: Little, Brown, 2007. Print.
- Paver, Michelle. *Oath Breaker #5 Chronicles of Ancient Darkness*. New York: Katherine Tegen Books, 2010. Print.
- . *Wolf Brother #1 Chronicles of Ancient Darkness*. New York: HarperTrophy, 2006. Print.
- Pearson, Ridley. *The Kingdom Keepers I*. New York: Disney Editions, 2005. Print.

- Philbin, Joanna. *The Daughters Break the Rules / #2 The Daughters Series*. New York: Little, Brown, 2010. Print.
- Riordan, Rick. *The Red Pyramid #1 Kane Chronicles*. New York: Disney/Hyperion Books, 2010. Print.
- Russell, Rachel R. *Dork Diaries : 4 Tales from a Not-No-Graceful Ice Princess*. New York: Aladdin, 2012. Print.
- Sparks, Beatrice. *Almost lost : the true story of an anonymous teenager's life on the streets*. New York: Avon Flare, 1996. Print.
- . *It happened to Nancy*. New York: Avon, 1994. Print.
- Wallace, Rich. *Losing is not an option : stories*. New York: Knopf, 2003. Print.
- . *One good punch*. New York: A. Knopf, 2007. Print.
- . *Playing without the ball : a novel in four quarters*. New York: Alfred A. Knopf, 2000. Print.
- . *Wrestling Sturbridge*. New York: Knopf, 1996. Print.

EAST ROCHESTER UNION FREE SCHOOL DISTRICT

BASIC FINANCIAL STATEMENTS

For Year Ended June 30, 2017

TABLE OF CONTENTS

	Pages
Independent Auditors' Report	1 - 3
Management's Discussion and Analysis (Unaudited)	4 - 13
Basic Financial Statements:	
Statement of Net Position	14
Statement of Activities and Changes in Net Position	15
Balance Sheet - Governmental Funds	16
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	17
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to Statement of Activities	18
Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position	19
Notes to the Basic Financial Statements:	20 - 50
Required Supplementary Information:	
Schedule of of Changes in District's Total OPEB Liability and Related Ratio (Unaudited)	51
Schedule of the District's Proportionate Share of the Net Pension Liability (Unaudited)	52
Schedule of District Contributions (Unaudited)	53
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - General Fund (Unaudited)	54 - 55
Supplementary Information:	
Schedule of Change from Adopted Budget to Final Budget and Real Property Tax Limit - General Fund	56
Schedule of Capital Projects Fund - Project Expenditures and Financing Resources	57
Combined Balance Sheet - Nonmajor Governmental Funds	58
Combined Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	59
Net Investment in Capital Assets	60
Schedule of Expenditures of Federal Awards	61
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	62 - 63

Raymond F. Wager, CPA, P.C.
Certified Public Accountants

Shareholders:

Raymond F. Wager, CPA
Thomas J. Lauffer, CPA
Thomas C. Zuber, CPA

Members of
American Institute of
Certified Public Accountants
and
New York State Society of
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Education
East Rochester Union Free School District, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Rochester Union Free School District, New York, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the East Rochester Union Free School District, New York, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

As described in Note XIII to the financial statements, the District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, an amendment of GASB No. 68. As a result, the beginning net position has been restated.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in District's total OPEB liability and related ratio, schedule of the District's proportionate share of the net pension liability, schedule of District contributions, and budgetary comparison information on pages 4-13 and 51-55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the East Rochester Union Free School District, New York's basic financial statements. The accompanying supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2017 on our consideration of the East Rochester Union Free School District, New York'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 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 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 East Rochester Union Free School District, New York's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Raymond F. Wager, CPA, P.C." The signature is written in a cursive style with a large initial 'R'.

September 15, 2017

East Rochester Union Free School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2017

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2017. This section is a summary of the School District's financial activities based on currently known facts, decisions, and/or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

Financial Highlights

At the close of the fiscal year, the total assets (what the district owns) exceeded its total liabilities (what the district owes) by \$1,075,723 (net position) an increase of \$391,255 from the prior year. This increase is a result of an overall control on District-wide spending resulting in a larger cash balance at 6/30/17.

As of the close of the fiscal year, the School District's governmental funds reported combined fund balances of \$19,271,578 an increase of \$2,965,008 in comparison with the prior year. This increase is a result of securing permanent financing for our most current capital project, an increase in federal/state aid sources, and an overall control on District-wide spending.

General revenues which include Real Property Taxes, Non Property Taxes, State and Federal Aid, Investment Earnings, Compensation for Loss, and Miscellaneous accounted for \$27,573,861 or 95% of all revenues. Program specific revenues in the form of Charges for services and Operating Grants and Contributions accounted for \$1,601,308 or 5% of total revenues.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.

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

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

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

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

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

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

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

Notes to the Financial Statements

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

Government-Wide Statements

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

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

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

Financial Analysis of the School District As A Whole

Net Position

The District's combined net position were larger on June 30, 2017, than they were the year before, increasing by 57% to \$1,075,723 as shown in table below.

	<u>Governmental Activities</u>		<u>Total</u>
	<u>2017</u>	<u>2016</u>	<u>Variance</u>
<u>ASSETS:</u>			
Current and Other Assets	\$ 21,252,520	\$ 27,409,244	\$ (6,156,724)
Capital Assets	37,198,196	36,642,945	555,251
Total Assets	<u>\$ 58,450,716</u>	<u>\$ 64,052,189</u>	<u>\$ (5,601,473)</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred Outflows of Resources	<u>\$ 12,730,885</u>	<u>\$ 2,070,666</u>	<u>\$ 10,660,219</u>
<u>LIABILITIES:</u>			
Long-Term Debt Obligations	\$ 64,635,607	\$ 57,767,479	\$ 6,868,128
Other Liabilities	1,759,251	5,532,254	(3,773,003)
Total Liabilities	<u>\$ 66,394,858</u>	<u>\$ 63,299,733</u>	<u>\$ 3,095,125</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferred Inflows of Resources	<u>\$ 3,711,020</u>	<u>\$ 2,138,654</u>	<u>\$ 1,572,366</u>
<u>NET POSITION:</u>			
Net Investment in Capital Assets	\$ 22,836,729	\$ 21,972,205	\$ 864,524
<u>Restricted For,</u>			
Reserve for ERS	2,300,441	2,540,278	(239,837)
Reserve for Tax Certiorari	1,931,234	1,931,144	90
Capital Reserve	8,732,826	7,358,418	1,374,408
Other Purposes	3,973,966	3,640,533	333,433
Unrestricted	<u>(38,699,473)</u>	<u>(36,758,110)</u>	<u>(1,941,363)</u>
Total Net Position	<u>\$ 1,075,723</u>	<u>\$ 684,468</u>	<u>\$ 391,255</u>

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

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

There are five restricted net asset balances, Reserve for ERS, Reserve for Tax Certiorari, Capital Reserve, and Other Purposes. The remaining balance of unrestricted net position is a deficit of \$38,699,473.

Changes in Net position

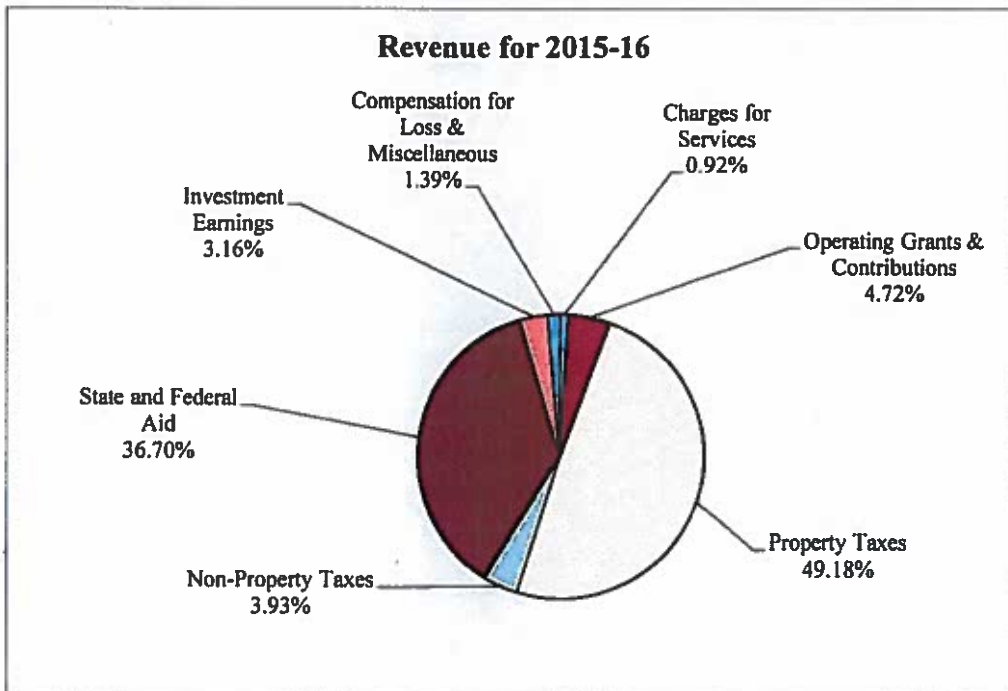
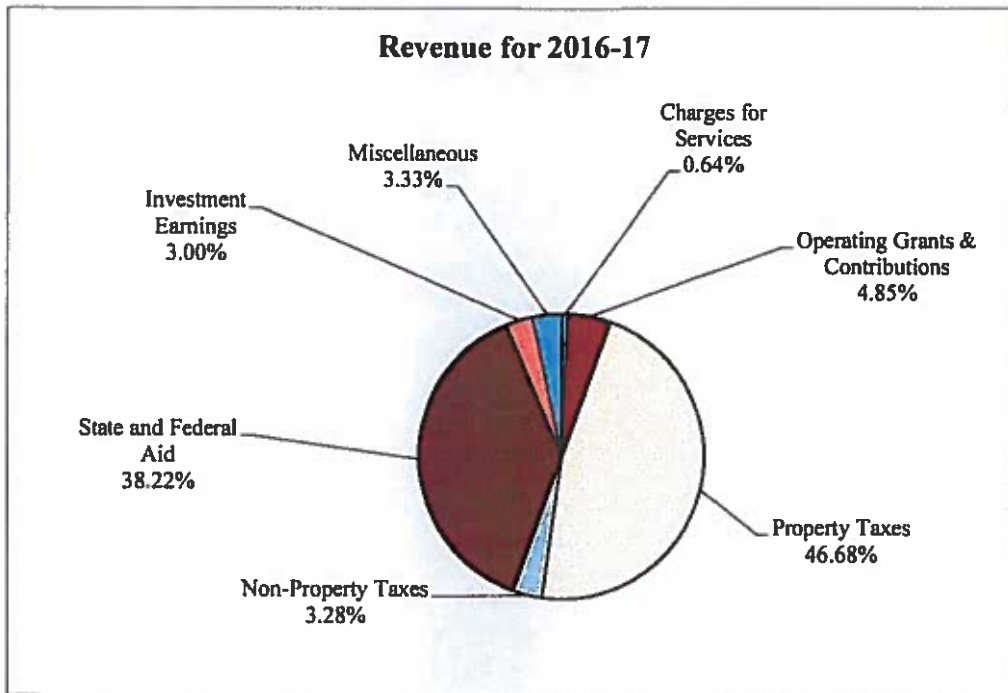
The District's total revenue increased 6% to \$29,175,169. State and federal aid 38% and property taxes 47% accounted for most of the District's revenue. The remaining 15% of the revenue comes from operating grants, charges for services, non-property taxes, investment earnings, compensation for loss, and miscellaneous revenues.

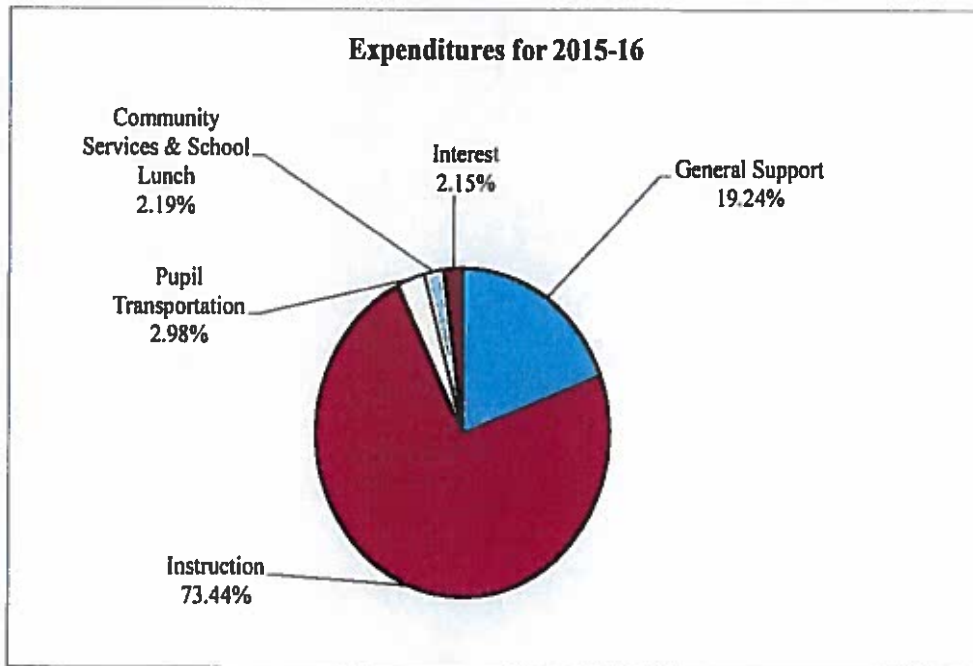
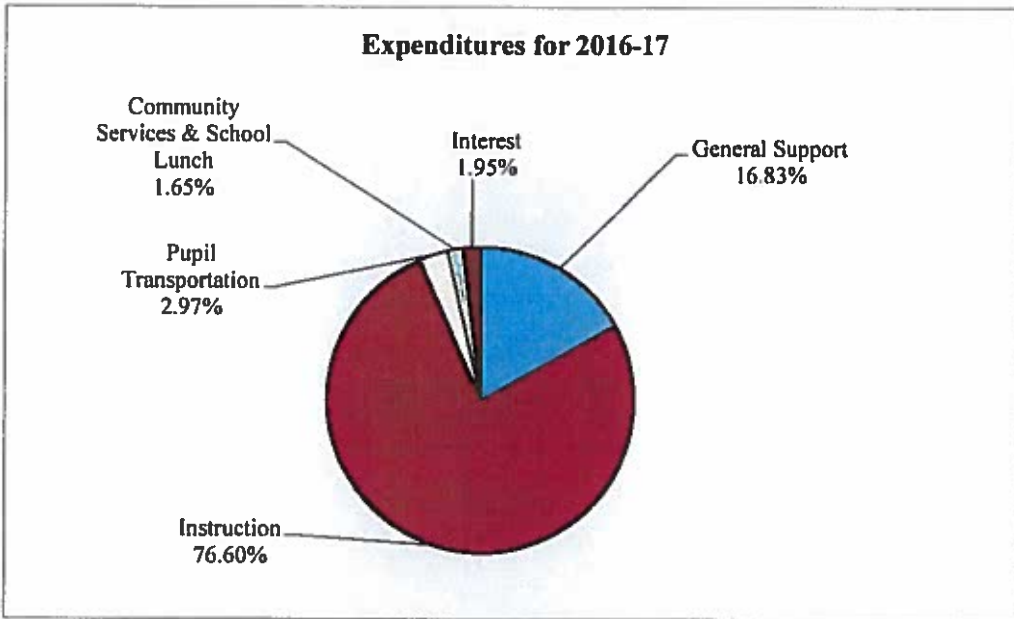
The total cost of all the programs and services increased 8% to \$28,783,914. The District's expenses are predominately related to education and caring for the students (Instruction) 77%. General support, which included expenses associated with the operation, maintenance and administration of the District, accounted for 17% of the total costs. See table below:

	<u>Governmental Activities</u>		<u>Total</u>
	<u>2017</u>	<u>2016</u>	<u>Variance</u>
<u>REVENUES:</u>			
<u>Program -</u>			
Charges for Services	\$ 186,350	\$ 254,937	\$ (68,587)
Operating Grants & Contributions	1,414,958	1,301,847	113,111
Total Program	\$ 1,601,308	\$ 1,556,784	\$ 44,524
<u>General -</u>			
Property Taxes	\$ 13,627,013	\$ 13,569,008	\$ 58,005
Non-Property Taxes	956,451	1,084,587	(128,136)
State and Federal Aid	11,150,800	10,124,354	1,026,446
Investment Earnings	874,443	871,077	3,366
Compensation for Loss	29,232	34,977	(5,745)
Miscellaneous	935,922	349,135	586,787
Total General	\$ 27,573,861	\$ 26,033,138	\$ 1,540,723
TOTAL REVENUES	\$ 29,175,169	\$ 27,589,922	\$ 1,585,247
<u>EXPENSES:</u>			
General Support	\$ 4,845,284	\$ 5,108,548	\$ (263,264)
Instruction	22,048,606	19,504,531	2,544,075
Pupil Transportation	854,267	791,046	63,221
Community Services	84,006	79,401	4,605
School Lunch	390,927	501,989	(111,062)
Interest on Long-Term Debt	560,824	571,767	(10,943)
TOTAL EXPENSES	\$ 28,783,914	\$ 26,557,282	\$ 2,226,632
NET INCREASE IN NET POSITION	\$ 391,255	\$ 1,032,640	\$ (641,385)

Key Variances as follows:

- Instructional expenses are greater due to a new contract in place.
- Federal and State Aid increased for 2016-17.
- Finalization of financing for a Capital project.





Financial Analysis of the School District's Funds

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported combined fund balances of \$19,271,578 which is more than last year's ending fund balance of \$16,306,570.

The General Fund is the chief operating fund of the District. At the end of the current year, the total fund balance of the General Fund was \$17,490,023. Fund balance for the General Fund increased by \$1,565,748 compared with the prior year. See table below:

<u>General Fund Balances:</u>	<u>2017</u>	<u>2016</u>	<u>Variance</u>
Restricted	\$ 15,429,334	\$ 13,898,027	\$ 1,531,307
Assigned	957,808	928,293	29,515
Unassigned	1,102,881	1,097,955	4,926
Total General Fund Balances	<u>\$ 17,490,023</u>	<u>\$ 15,924,275</u>	<u>\$ 1,565,748</u>

The District appropriated funds from the following reserves for the 2017-18 budget:

Workers' Compensation	\$ 93,825
Unemployment	5,000
Capital-Technology	140,000
Capital-Equipment	80,000
Retirement Contribution	133,985
Debt Service	200,000
Total	<u>\$ 652,810</u>

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was \$530,002. This change is attributable to \$528,293 of carryover encumbrances from the 2015-16 school year, \$1,709 for appropriations from the tax certiorari reserve.

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

<u>Expenditure Items:</u>	<u>Budget Variance Original Vs. Amended</u>	<u>Explanation for Budget Variance</u>
Teaching-Regular School	(\$236,543)	As a result of increases to the special aid fund for Extended School Year Services for Students with Disabilities we transferred from this code.

Revenue Items:	Budget Variance Amended Vs. Actual	Explanation for Budget Variance
Use of Money and Property	\$480,662	This is the result of income received from rental of facilities that could be one-time rentals. We also recognize health services income here and we do not budget for this income as the number of students varies from year-to-year.
Miscellaneous	\$226,502	Refund received was higher than anticipated
State Sources	(\$306,108)	BOCES aid and excess cost aid was less than anticipated
Expenditure Items:	Budget Variance Amended Vs. Actual	Explanation for Budget Variance
Teaching-Regular School	\$230,488	This is a result of budgeting conservatively in the second year of the ERTA contract.
Programs for Children with Handicapping Conditions	\$600,133	Additional students required a reallocation of funds.
Employee Benefits	\$299,200	This expense is directly related to employees enrolling in District benefits, specifically health insurance and health reimbursement accounts (HRA)

Capital Asset and Debt Administration

Capital Assets

By the end of the 2016-17 fiscal year, the District had invested \$37,198,196 in a broad range of capital assets, including land, buildings and improvements, and machinery and equipment. The change in capital assets, net of accumulated depreciation, is reflected below:

	<u>2017</u>	<u>2016</u>
Land	\$ 22,239	\$ 22,239
Work in Progress	6,397,697	4,376,005
Buildings and Improvements	30,184,034	31,723,317
Machinery and Equipment	594,226	521,384
Total	<u>\$ 37,198,196</u>	<u>\$ 36,642,945</u>

Long-Term Debt

At year end, the District had \$64,635,607 in general obligation bonds and other long-term debt outstanding as follows:

Type	2017	2016
Serial Bonds	\$ 13,540,000	\$ 12,295,000
Energy Performance Contracts	344,897	422,369
Net Pension Liability	1,162,800	1,002,357
Amortized Bond Premium	476,570	549,302
OPEB	48,191,831	42,795,440
Compensated Absences	761,509	703,011
Retirement Incentive	158,000	-
Total Long-Term Obligations	\$ 64,635,607	\$ 57,767,479

Factors Bearing on the District's Future

- Declining residential enrollment
- Unfunded mandates
- Increases in health insurance & benefits; specifically, retirement and workers' compensation
- Tax exemptions
- Little available growth in the tax base
- Participation in the Urban-Suburban transfer program

Contacting the School District's Financial Management

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

East Rochester Union Free School District
222 Woodbine Avenue
East Rochester, New York 14445

EAST ROCHESTER UNION FREE SCHOOL DISTRICT, NEW YORK

Statement of Net Position

June 30, 2017

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 19,154,631
Accounts receivable	2,065,542
Inventories	32,347
Capital Assets:	
Land	22,239
Work in progress	6,397,697
Other capital assets (net of depreciation)	30,778,260
TOTAL ASSETS	<u>\$ 58,450,716</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources	<u>\$ 12,730,885</u>
LIABILITIES	
Accounts payable	\$ 232,983
Accrued liabilities	378,703
Unearned revenues	10,169
Due to other governments	3,888
Due to teachers' retirement system	1,075,181
Due to employees' retirement system	58,327
Long-Term Obligations:	
Due in one year	2,407,430
Due in more than one year	62,228,177
TOTAL LIABILITIES	<u>\$ 66,394,858</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources	<u>\$ 3,711,020</u>
NET POSITION	
Net investment in capital assets	\$ 22,836,729
Restricted For:	
Reserve for employee retirement system	2,300,441
Reserve for tax certiorari	1,931,234
Capital reserves	8,732,826
Other purposes	3,973,966
Unrestricted	(38,699,473)
TOTAL NET POSITION	<u>\$ 1,075,723</u>

(See accompanying notes to financial statements)

EAST ROCHESTER UNION FREE SCHOOL DISTRICT, NEW YORK
Statement of Activities and Changes in Net Position
For Year Ended June 30, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Primary Government -				
General support	\$ 4,845,284	\$ -	\$ -	\$ (4,845,284)
Instruction	22,048,606	100,291	1,108,171	(20,840,144)
Pupil transportation	854,267	-	-	(854,267)
Community services	84,006	-	-	(84,006)
School lunch	390,927	86,059	306,787	1,919
Interest	560,824	-	-	(560,824)
Total Primary Government	<u>\$ 28,783,914</u>	<u>\$ 186,350</u>	<u>\$ 1,414,958</u>	<u>\$ (27,182,606)</u>

General Revenues:

Property taxes	\$ 13,627,013
Non property taxes	956,451
State and federal aid	11,150,800
Investment earnings	874,443
Compensation for loss	29,232
Miscellaneous	<u>935,922</u>
Total General Revenues	<u>\$ 27,573,861</u>
Changes in Net Position	\$ 391,255
Net Position, Beginning of Year (restated)	<u>684,468</u>
Net Position, End of Year	<u>\$ 1,075,723</u>

EAST ROCHESTER UNION FREE SCHOOL DISTRICT, NEW YORK

Balance Sheet

Governmental Funds

June 30, 2017

	<u>General Fund</u>	<u>Special Aid Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 17,107,215	\$ 258,183	4,837	\$ 1,784,396	\$ 19,154,631
Receivables	1,335,535	728,705	-	1,302	2,065,542
Inventories	-	-	-	32,347	32,347
Due from other funds	1,330,456	130,398	127,439	181,325	1,769,618
TOTAL ASSETS	<u>\$ 19,773,206</u>	<u>\$ 1,117,286</u>	<u>\$ 132,276</u>	<u>\$ 1,999,370</u>	<u>\$ 23,022,138</u>
LIABILITIES AND FUND BALANCES					
Liabilities -					
Accounts payable	\$ 223,845	\$ 7,290	\$ -	\$ 1,848	\$ 232,983
Accrued liabilities	311,143	1,794	-	851	313,788
Due to other funds	324,037	1,108,202	132,276	205,103	1,769,618
Due to other governments	-	-	-	3,888	3,888
Due to TRS	1,075,181	-	-	-	1,075,181
Due to ERS	53,931	-	-	4,396	58,327
Compensated absences	286,606	-	-	-	286,606
Unearned revenue	8,440	-	-	1,729	10,169
TOTAL LIABILITIES	<u>\$ 2,283,183</u>	<u>\$ 1,117,286</u>	<u>\$ 132,276</u>	<u>\$ 217,815</u>	<u>\$ 3,750,560</u>
Fund Balances -					
Nonspendable	\$ -	\$ -	\$ -	\$ 32,347	\$ 32,347
Restricted	15,429,334	-	-	1,509,133	16,938,467
Assigned	957,808	-	-	240,075	1,197,883
Unassigned	1,102,881	-	-	-	1,102,881
TOTAL FUND BALANCE	<u>\$ 17,490,023</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,781,555</u>	<u>\$ 19,271,578</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 19,773,206</u>	<u>\$ 1,117,286</u>	<u>\$ 132,276</u>	<u>\$ 1,999,370</u>	

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

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

37,198,196

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

(64,915)

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

Serial bonds payable	(13,540,000)
OPEB	(48,191,831)
Compensated absences	(474,903)
Energy performance contract	(344,897)
Bond premium	(476,570)
Retirement incentives	(158,000)
Deferred outflow - pension	6,099,159
Deferred outflow - OPEB	6,631,726
Net pension liability	(1,162,800)
Deferred inflow - pension	(559,104)
Deferred inflow - OPEB	(3,151,916)
Net Position of Governmental Activities	<u>\$ 1,075,723</u>

EAST ROCHESTER UNION FREE SCHOOL DISTRICT, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For Year Ended June 30, 2017

	<u>General Fund</u>	<u>Special Aid Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Real property taxes and tax items	\$ 13,627,013	\$ -	\$ -	\$ -	\$ 13,627,013
Non-property taxes	956,451	-	-	-	956,451
Charges for services	100,291	-	-	-	100,291
Use of money and property	871,662	-	-	2,781	874,443
Sale of property and compensation for loss	29,232	-	-	-	29,232
Miscellaneous	286,502	-	-	10,310	296,812
State sources	11,105,073	345,864	-	9,248	11,460,185
Federal sources	45,727	762,307	-	297,539	1,105,573
Sales	-	-	-	86,059	86,059
Premium on obligations issued	-	-	-	566,378	566,378
TOTAL REVENUES	\$ 27,021,951	\$ 1,108,171	\$ -	\$ 972,315	\$ 29,102,437
EXPENDITURES					
General support	\$ 3,475,090	\$ -	\$ -	\$ 100,553	\$ 3,575,643
Instruction	12,756,474	1,062,325	-	-	13,818,799
Pupil transportation	792,146	32,704	-	-	824,850
Community services	47,877	-	-	-	47,877
Employee benefits	5,990,907	79,271	-	13,572	6,083,750
Debt service - principal	1,927,470	-	-	425,000	2,352,470
Debt service - interest	601,168	-	-	-	601,168
Cost of sales	-	-	-	163,188	163,188
Other expenses	-	-	-	167,992	167,992
Capital outlay	-	-	2,021,692	-	2,021,692
TOTAL EXPENDITURES	\$ 25,591,132	\$ 1,174,300	\$ 2,021,692	\$ 870,305	\$ 29,657,429
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 1,430,819	\$ (66,129)	\$ (2,021,692)	\$ 102,010	\$ (554,992)
OTHER FINANCING SOURCES (USES)					
Transfers - in	\$ 201,058	\$ 66,129	\$ -	\$ 93,181	\$ 360,368
Transfers - out	(66,129)	-	(94,239)	(200,000)	(360,368)
Proceeds from obligations	-	-	3,095,000	-	3,095,000
BAN's redeemed from appropriations	-	-	425,000	-	425,000
TOTAL OTHER FINANCING SOURCES (USES)	\$ 134,929	\$ 66,129	\$ 3,425,761	\$ (106,819)	\$ 3,520,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ 1,565,748	\$ -	\$ 1,404,069	\$ (4,809)	\$ 2,965,008
FUND BALANCE, BEGINNING OF YEAR	15,924,275	-	(1,404,069)	1,786,364	16,306,570
FUND BALANCE, END OF YEAR	\$ 17,490,023	\$ -	\$ -	\$ 1,781,555	\$ 19,271,578

(See accompanying notes to financial statements)

EAST ROCHESTER UNION FREE SCHOOL DISTRICT, NEW YORK
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to Statement of Activities
For Year Ended June 30, 2017

NET CHANGE IN FUND BALANCES -
TOTAL GOVERNMENTAL FUNDS **\$ 2,965,008**

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

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

Capital Outlay	\$ 2,021,692	
Additions to Assets, Net	125,845	
Depreciation	<u>(1,592,286)</u>	555,251

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

Debt Repayments	\$ 2,352,470	
Proceeds from Bond Issuance	(3,095,000)	
Proceeds from BAN Redemption	(425,000)	
Unamortized Bond Premium	<u>72,732</u>	(1,094,798)

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 40,344

The net OPEB liability does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds. (1,916,579)

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

Teachers' Retirement System		72,728
Employees' Retirement System		(85,039)

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

Compensated Absences	\$ 12,340	
Retirement Incentives	<u>(158,000)</u>	<u>(145,660)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 391,255**

EAST ROCHESTER UNION FREE SCHOOL DISTRICT, NEW YORK
Statement of Fiduciary Net Position
June 30, 2017

	Private Purpose Trust	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 34,529	\$ 409,745
Investments	103,296	-
Receivable from general fund	-	78,063
TOTAL ASSETS	\$ 137,825	\$ 487,808
LIABILITIES		
Extraclassroom activity balances	\$ -	\$ 26,417
Other liabilities	-	461,391
TOTAL LIABILITIES	\$ -	\$ 487,808
NET POSITION		
Restricted for scholarships	\$ 137,825	
TOTAL NET POSITION	\$ 137,825	

Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2017

	Private Purpose Trust
ADDITIONS	
Contributions	\$ 8,325
Investment earnings / (losses)	(7,294)
TOTAL ADDITIONS	\$ 1,031
DEDUCTIONS	
Scholarships and donations	\$ 18,505
TOTAL DEDUCTIONS	\$ 18,505
CHANGE IN NET POSITION	\$ (17,474)
NET POSITION, BEGINNING OF YEAR	155,299
NET POSITION, END OF YEAR	\$ 137,825

EAST ROCHESTER UNION FREE SCHOOL DISTRICT, NEW YORK

Notes To The Basic Financial Statements

June 30, 2017

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

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

1. Extraclassroom Activity Funds

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

(I.) (Continued)

B. Joint Venture

The District is a component of the Board of Cooperative Educational Services First Supervisory District of Monroe County(BOCES). The BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

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

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

During the year, the District was billed \$4,036,278 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$979,187.

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

C. Basis of Presentation

1. Districtwide Statements

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

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

(I.) (Continued),

2. **Fund Statements**

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

The District reports the following governmental funds:

a. **Major Governmental Funds**

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

Capital Projects Fund - Used to account for the acquisition construction or major repair of capital facilities.

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

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

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

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

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

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

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

(I.) (Continued)

D. Measurement Focus and Basis of Accounting

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

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

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

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

E. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1, and become a lien on August 16, 2016. Taxes are collected during the period September 1, 2016 to October 31, 2016.

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

F. Restricted Resources

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

(I.) (Continued)

G. Interfund Transactions

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

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

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

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

H. Estimates

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

I. Cash and Cash Equivalents

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

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

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

Investments are stated at fair value.

(I.) (Continued)

J. Receivables

Receivables are shown net of an allowance for uncollectible accounts, when applicable.

No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

K. Inventory and Prepaid Items

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

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

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

L. Capital Assets

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

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$5,000 is used to report capital assets. The range of estimated useful lives by type of assets is as follows:

<u>Class</u>	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 50,000	SL	25-50 Years
Machinery and Equipment	\$ 5,000	SL	5-20 Years

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

(I.) (Continued)

M. Unearned Revenue

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

N. Deferred Outflows and Inflows of Resources

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

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

O. Vested Employee Benefits

1. Compensated Absences

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

(I .) (Continued)

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

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

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

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

P. Other Benefits

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

District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Sections 403(b) and 457.

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

Q. Short-Term Debt

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

R. Accrued Liabilities and Long-Term Obligations

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

(I.) (Continued)

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

S. Equity Classifications

1. District-Wide Statements

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

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

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

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

	<u>Total</u>
Workers' Compensation	\$ 618,282
Unemployment Costs	1,039,079
Insurance	502,099
Debt	1,509,133
Employee Benefits Accrued Liability	<u>305,373</u>
Total Net Position - Restricted for Other Purposes	<u>\$ 3,973,966</u>

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

2. Fund Statements

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

a. Nonspendable Fund Balance - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes \$32,347 of inventory in the school lunch fund.

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

(I.) (Continued)

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

<u>Name of Reserve</u>	<u>Maximum Funding</u>	<u>Total Funding Provided</u>	<u>Total Year to Date Balance</u>
2016 Technology Reserve	\$ 2,000,000	\$ 1,200,000	\$ 1,200,839
2014 Capital Reserve	\$ 5,000,000	\$ 2,300,000	\$ 2,305,876
2012 Equipment Reserve	\$ 1,000,000	\$ 1,000,000	\$ 1,001,970
2007 Capital Reserve	\$ 5,000,000	\$ 5,000,000	\$ 3,477,045
2006 Equipment Reserve	\$ 1,000,000	\$ 1,000,000	\$ 231,972
2002 Technology Reserve	\$ 2,000,000	\$ 2,000,000	\$ 515,124

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

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

Insurance Reserve - According to General Municipal Law §6-n, 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 appropriation, 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.

(I.) (Continued)

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

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

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

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

(I.) (Continued)

Restricted fund balances include the following:

<u>General Fund -</u>	
Capital	\$ 8,732,826
Employee Benefit Accrued Liability	305,373
Insurance	502,099
Retirement Contribution	2,300,441
Tax Certiorari	1,931,234
Unemployment Insurance	1,039,079
Workers' Compensation	618,282
<u>Debt Service Fund -</u>	
Debt Service	1,509,133
Total Restricted Funds	<u><u>\$ 16,938,467</u></u>

The District appropriated and/or budgeted funds from the following reserves for the 2017-18 budget:

Workers' Compensation	\$ 93,825
Unemployment	5,000
Capital-Technology	140,000
Capital-Equipment	80,000
Retirement Contribution	133,985
Total General Fund	<u><u>\$ 452,810</u></u>
Debt Service Fund	<u><u>\$ 200,000</u></u>

c. **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 District has no committed fund balances as of June 30, 2017.

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

Significant encumbrances for the general fund, management has determined that amounts in excess of \$39,000 are considered significant and are summarized below:

- Central Services at \$87,352
- Teaching – Regular School at \$148,258
- Occupational Education at \$43,048
- Instructional Media at \$205,341

(I.) (Continued)

Assigned fund balances include the following:

General Fund-Encumbrances	\$ 557,808
General Fund-Appropriated for Taxes	400,000
School Lunch Fund-Year End Equity	<u>240,075</u>
Total Assigned Fund Balance	<u>\$ 1,197,883</u>

e. **Unassigned Fund Balance** –Includes all other general fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the school district and could report a surplus or deficit. In funds other than the general fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

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

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

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

T. **New Accounting Standards**

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2017, the District implemented the following new standards issued by GASB:

The GASB has issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 57, and Amendments to Certain Provisions of GASB Statements 67 and 68*, effective for the year ended June 30, 2017.

GASB has issued Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, effective for the year ending June 30, 2017.

The GASB has issued Statement No. 77, *Tax Abatement Disclosures*, effective for the year ended June 30, 2017.

(I.) (Continued)

The GASB has issued Statement No. 80, *Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14*, effective for the year ended June 30, 2017.

The GASB has issued Statement No. 82, *Pension Issues-an amendment of GASB No. 67, No. 68, and No. 73*, effective for the year ended June 30, 2017.

U. Future Changes in Accounting Standards

GASB has issued Statement 84, *Fiduciary Activities*, which will effective for the periods beginning after December 15, 2018.

GASB has issued Statement 85, *Omnibus 2017*, which will be effective for the periods beginning after June 15, 2017

GASB has issued Statement 86, *Certain Debt Extinguishment Issues*, which will be effective for the periods beginning after June 15, 2017.

GASB has issued Statement 87, *Leases*, which will be effective for the periods beginning after December 15, 2019.

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

II. Restatement of Net Position

For the fiscal year ended June 30, 2017, the District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The District's net position has been restated as follows:

	<u>Districtwide Statements</u>
	<u>Governmental Activities</u>
Net position beginning of year, as previously stated	\$ 35,155,364
Increase to OPEB liability	<u>(34,470,896)</u>
Net position beginning of year, as restated	<u>\$ 684,468</u>

III. Changes in Accounting Principles

For the fiscal year ended June 30, 2017, the District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The implementation of the statement requires Districts to report Other Postemployment Benefits (OPEB) liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB. See Note II for the financial statement impact of implementation of the Statements.

IV. Stewardship, Compliance and Accountability

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

A. Budgets

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

The voters of the District approved the proposed appropriation budget.

Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restriction, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. The following supplemental appropriation occurred during the year: \$1,709 for tax certiorari claims.

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

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

B. Encumbrances

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

V. Cash and Cash Equivalents

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

(V.) (Continued)

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

Uncollateralized	\$	-
Collateralized with securities held by the pledging financial institution		<u>19,634,313</u>
Total		<u><u>\$ 19,634,313</u></u>

Restricted cash represents cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year end includes \$16,938,467 within the governmental funds and \$34,529 in the fiduciary funds.

VI. Investments

The District has few investments (primarily donated scholarship funds), and chooses to disclose its investments by specifically identifying each. The District's investment policy for these investments is also governed by New York State statutes. Investments are stated at fair value, and are categorized as either:

- A. Insured or registered, or investments held by the District or by the District's agent in the District's name, or
- B. Uninsured and unregistered, with the investments held by the financial institutes trust department in the District's name, or
- C. Uninsured and unregistered, with investments held by the financial institution or its trust department, but not in the District's name.

<u>Investment</u>	<u>Fund</u>	<u>Carrying Amount</u>	<u>Unrealized Investment Gain/(Loss)</u>	<u>Type of Investment</u>	<u>Category</u>
Corporate Stock	Trust and Agency	\$ 4,075	\$ 99,221	Equities	A

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

VII. Receivables

Receivables at June 30, 2017 for individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

<u>Description</u>	<u>Governmental Activities</u>			<u>Total</u>
	<u>General Fund</u>	<u>Special Aid Fund</u>	<u>Non-Major Funds</u>	
Accounts Receivable	\$ 86,186	\$ -	\$ 931	\$ 87,117
Due From State and Federal	566,632	728,705	371	1,295,708
Sales Tax	242,083	-	-	242,083
BOCES Aid	440,634	-	-	440,634
Total	<u><u>\$ 1,335,535</u></u>	<u><u>\$ 728,705</u></u>	<u><u>\$ 1,302</u></u>	<u><u>\$ 2,065,542</u></u>

District management has deemed the amounts to be fully collectible.

VIII. Interfund Receivables, Payables, Revenues and Expenditures

Interfund Receivables, Payables, Revenues and Expenditures at June 30, 2017 were as follows:

	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivables</u>	<u>Payables</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 1,330,456	\$ 324,037	\$ 201,058	\$ 66,129
Special Aid Fund	130,398	1,108,202	66,129	-
School Lunch Fund	52,239	5,103	-	-
Debt Service Fund	129,086	200,000	93,181	200,000
Capital Fund	127,439	132,276	-	94,239
Total government activities	\$ 1,769,618	\$ 1,769,618	\$ 360,368	\$ 360,368

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

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

IX. Capital Assets

Capital asset balances and activity were as follows:

<u>Type</u>	<u>Balance</u> <u>7/1/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2017</u>
<u>Governmental Activities:</u>				
<u>Capital assets that are not depreciated -</u>				
Land	\$ 22,239	\$ -	\$ -	\$ 22,239
Work in progress	4,376,005	2,021,692	-	6,397,697
<i>Total Nondepreciable</i>	<u>\$ 4,398,244</u>	<u>\$ 2,021,692</u>	<u>\$ -</u>	<u>\$ 6,419,936</u>
<u>Capital assets that are depreciated -</u>				
Buildings and improvements	\$ 57,841,023	\$ -	\$ -	\$ 57,841,023
Machinery and equipment	5,616,442	128,932	(3,087)	5,742,287
<i>Total Depreciated Assets</i>	<u>\$ 63,457,465</u>	<u>\$ 128,932</u>	<u>\$ (3,087)</u>	<u>\$ 63,583,310</u>
<u>Less accumulated depreciation -</u>				
Buildings and improvements	\$ 26,117,706	\$ 1,539,283	\$ -	\$ 27,656,989
Machinery and equipment	5,095,058	53,003	-	5,148,061
<i>Total accumulated depreciation</i>	<u>\$ 31,212,764</u>	<u>\$ 1,592,286</u>	<u>\$ -</u>	<u>\$ 32,805,050</u>
<i>Total capital assets depreciated, net of accumulated depreciation</i>	<u>\$ 32,244,701</u>	<u>\$ (1,463,354)</u>	<u>\$ (3,087)</u>	<u>\$ 30,778,260</u>
Total Capital Assets	<u>\$ 36,642,945</u>	<u>\$ 558,338</u>	<u>\$ (3,087)</u>	<u>\$ 37,198,196</u>

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

<u>Governmental Activities:</u>	
General government support	\$ 29,421
Instruction	1,543,633
School lunch	19,232
Total Depreciation Expense	<u>\$ 1,592,286</u>

X Short-Term Debt

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

<u>Type</u>	<u>Purpose</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance 7/1/2016</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance 6/30/2017</u>
BAN	Construction	7/15/2016	1.50%	\$ 3,000,000	\$ -	\$ 3,000,000	\$ -
BAN	Construction	6/30/2017	2.00%	-	4,200,000	4,200,000	-
Total Short-Term Debt				\$ 3,000,000	\$ 4,200,000	\$ 7,200,000	\$ -

A summary of the short-term interest expense for the year is as follows:

Interest paid	\$ 125,608
Less: interest accrued in the prior year	(42,881)
Total interest expense	\$ 82,727

XI. Long-Term Debt Obligations

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

<u>Governmental Activities: Bonds and Notes Payable -</u>	<u>Balance 7/1/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2017</u>	<u>Due Within One Year</u>
Serial Bonds	\$ 12,295,000	\$ 3,095,000	\$ 1,850,000	\$ 13,540,000	\$ 2,040,000
Energy Performance Contracts	422,369	-	77,472	344,897	80,824
Total Bonds and Notes Payable	\$ 12,717,369	\$ 3,095,000	\$ 1,927,472	\$ 13,884,897	\$ 2,120,824
<u>Other Liabilities -</u>					
Net Pension Liability	\$ 1,002,357	\$ 160,443	\$ -	\$ 1,162,800	\$ -
Amortized Bond Premium	549,302	-	72,732	476,570	-
OPEB	42,795,440	5,396,391	-	48,191,831	-
Compensated Absences	703,011	58,498	-	761,509	286,606
Retirement Incentives	-	158,000	-	158,000	-
Total Other Liabilities	\$ 45,050,110	\$ 5,773,332	\$ 72,732	\$ 50,750,710	\$ 286,606
Total Long-Term Obligations	\$ 57,767,479	\$ 8,868,332	\$ 2,000,204	\$ 64,635,607	\$ 2,407,430

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

(XI.) (Continued)

Existing serial and statutory bond obligations:

<u>Description</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding 6/30/2017</u>
Serial Bonds -				
Construction	2007	2027	4.25-4.3%	\$ 840,000
Construction	2012	2019	2%	1,790,000
Construction	2011	2021	2.50%-4.25%	1,485,000
Construction	2010	2025	2-4%	3,180,000
Construction	2013	2027	2-5%	3,150,000
Reconstruction	2017	2031	3-5%	3,095,000
Total Serial Bonds				<u>\$ 13,540,000</u>
Energy Performance Contract -				
Energy Performance Contract				<u>\$ 344,897</u>

The following is a summary of debt service requirements:

<u>Year</u>	<u>Serial Bonds</u>		<u>Energy Performance Contract</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 2,040,000	\$ 590,350	\$ 80,824	\$ 13,410
2019	2,140,000	481,979	84,323	9,913
2020	1,285,000	415,700	87,971	6,263
2021	1,340,000	363,713	91,779	2,456
2022	980,000	308,910	-	-
2023-27	4,640,000	887,480	-	-
2028-31	1,115,000	142,750	-	-
Total	<u>\$ 13,540,000</u>	<u>\$ 3,190,882</u>	<u>\$ 344,897</u>	<u>\$ 32,042</u>

Interest on long-term debt for June 30, 2017 was composed of:

Interest paid	\$ 475,560
<u>Less: interest accrued in the prior year</u>	<u>(62,378)</u>
<u>Plus: interest accrued in the current year</u>	<u>64,915</u>
Total interest expense	<u>\$ 478,097</u>

XII. Deferred Inflows and Outflows

The deferred inflows and outflows consist of the following at June 30:

<u>Deferred Inflows:</u>	
Pension	\$ 559,104
OPEB	3,151,916
Total	<u>\$ 3,711,020</u>

(XI.) (Continued)

<u>Deferred Outflows:</u>	
Pension	\$ 6,099,159
OPEB	<u>6,631,726</u>
Total	<u>\$ 12,730,885</u>

XIII. Pension Plans

A. General Information

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

B. Provisions and Administration

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

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

(XIII.) (Continued)

C. Funding Policies

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

Contributions for the current year were equal to 100 percent of the contributions required, and were as follows:

<u>Contributions</u>	<u>ERS</u>	<u>TRS</u>
2017	\$ 242,092	\$ 1,075,181

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

At June 30, 2017, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2017 for ERS and June 30, 2016 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the TRS and ERS Systems in reports provided to the District.

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2017	June 30, 2016
Net pension assets/(liability)	\$ (571,670)	\$ (591,130)
District's portion of the Plan's total net pension asset/(liability)	0.0060840%	0.0551920%

For the year ended June 30, 2017, the District recognized pension expenses of \$233,160 for ERS and \$940,241 for TRS. At June 30, 2017 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

(XIII.) (Continued)

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expended and actual experience	\$ 14,326	\$ -	\$ 86,811	\$ 192,032
Changes of assumptions	195,303	3,367,452	-	-
Net difference between projected and actual earnings on pension plan investments	114,186	1,329,171	-	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	1,432	6,219	25,474	254,787
Subtotal	<u>\$ 325,247</u>	<u>\$ 4,702,842</u>	<u>\$ 112,285</u>	<u>\$ 446,819</u>
District's contributions subsequent to the measurement date	58,327	1,012,743	-	-
Grand Total	<u>\$ 383,574</u>	<u>\$ 5,715,585</u>	<u>\$ 112,285</u>	<u>\$ 446,819</u>

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2017	\$ -	\$ 373,599
2018	99,023	373,599
2019	99,023	1,405,870
2020	92,627	1,084,700
2021	(77,711)	477,149
Thereafter	-	541,106
Total	<u>\$ 212,962</u>	<u>\$ 4,256,023</u>

E. Actuarial Assumptions

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2017	June 30, 2016
Actuarial valuation date	April 1, 2016	June 30, 2015
Interest rate	7.00%	7.50%
Salary scale	3.80%	4.01% - 10.91%
Decrement tables	April 1, 2010- March 31, 2015 System's Experience	July 1, 2009- June 30, 2014 System's Experience
Inflation rate	2.50%	2.50%
COLA's	1.30%	1.50%

(XIII.) (Continued)

For ERS, annuitant mortality rates are based on Society of Actuaries Scale MP-2014 System's experience with adjustments for mortality improvements based on MP-2017. For TRS, annuitant mortality rates are based on plan member experience adjustments for mortality improvements based on Society of Actuaries Scale AA.

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

Long Term Expected Rate of Return		
	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2017	June 30, 2016
<u>Asset Type -</u>		
Cash	-0.25%	-
Inflation-index bonds	1.50%	-
Domestic equity	4.55%	6.10%
International equity	6.35%	7.30%
Real estate	5.80%	5.40%
Alternative investments	0.00%	9.20%
Domestic fixed income securities	0.00%	1.00%
Global fixed income securities	0.00%	0.80%
Bonds/mortgages	1.31%	3.10%
Short-term	0.00%	0.01%
Private equity	7.75%	-
Absolute return strategies	4.00%	-
Opportunistic portfolios	5.89%	-
Real assets	5.54%	-

F. Discount Rate

The discount rate used to calculate the total pension liability was 7% for ERS and 7.5% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7% for ERS and 7.5% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentagepoint lower (6% for ERS and 6.5% for TRS) or 1-percentagepoint higher (8% for ERS and 8.5% for TRS) than the current rate :

(XIII.) (Continued)

	<u>1% Decrease</u> <u>(6%)</u>	<u>Current</u> <u>Assumption</u> <u>(7%)</u>	<u>1% Increase</u> <u>(8%)</u>
<u>ERS</u> Employer's proportionate share of the net pension asset (liability)	\$ (1,825,799)	\$ (571,670)	\$ 488,695
	<u>1% Decrease</u> <u>(6.5%)</u>	<u>Current</u> <u>Assumption</u> <u>(7.5%)</u>	<u>1% Increase</u> <u>(8.5%)</u>
<u>TRS</u> Employer's proportionate share of the net pension asset (liability)	\$ (7,712,633)	\$ (591,130)	\$ 5,382,014

H. Pension Plan Fiduciary Net Position

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

	<u>(In Thousands)</u>	
	<u>ERS</u>	<u>TRS</u>
Valuation date	April 1, 2016	June 30, 2015
Employers' total pension liability	\$ 177,400,586	\$ 108,577,184
Plan net position	168,004,363	107,506,142
Employers' net pension asset/(liability)	<u>\$ (9,396,223)</u>	<u>\$ (1,071,042)</u>
Ration of plan net position to the employers' total pension asset/(liability)	94.70%	99.01%

I. Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2017 represent the projected employer contribution for the period of April 1, 2017 through June 30, 2017 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2017 amounted to \$53,931.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2017 are paid to the System in September, October and November 2017 through a state aid intercept. Accrued retirement contributions as of June 30, 2017 represent employee and employer contributions for the fiscal year ended June 30, 2017 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2017 amounted to \$1,075,181.

XIV. Postemployment Benefits

A. General Information About the OPEB Plan

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

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

Employees Covered by Benefit Terms – At March 31, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	163
Active Employees	<u>202</u>
Total	<u><u>365</u></u>

B. Total OPEB Liability

The District’s total OPEB liability of \$48,191,831 was measured as of March 31, 2017, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.2 percent
Salary Increases	3.31 percent, average, including inflation
Discount Rate	3.8 percent
Healthcare Cost Trend Rates	5.3 percent for 2017, decreasing to an ultimate rate of 4.17 percent for 2070 and later years
Retirees' Share of Benefit-Related Costs	Varies from 25 percent to 75 percent depending on the contract

The discount rate was based on a tax-exempt, high-quality 20-year tax-exempt general obligation municipal bond or index rate.

Mortality rates were based on April 1, 2010 – March 31, 2015 NYSLRS experience, with adjustments for mortality improvements based on the Society of Actuaries’ Scale MP-2014.

(XIV.) (Continued)

C. Changes in the Total OPEB Liability

Balance at June 30, 2016	<u>\$ 42,795,440</u>
<u>Changes for the Year -</u>	
Service cost	\$ 1,209,948
Interest	1,445,704
Differences between expected and actual experience	7,054,779
Changes in assumptions or other inputs	(3,463,987)
Benefit payments	<u>(850,053)</u>
Net Changes	<u>\$ 5,396,391</u>
Balance at June 30, 2017	<u>\$ 48,191,831</u>

Changes of benefit terms reflect the following:

- Changed accounting standards to GASB 75.
- Introduced Cadillac taxes.
- The Salary scale changed from 3.0% to 3.31%.
- Mortality rate updated to rates based on the 2015 NYSTRS mortality rates.
- Updated retirement rates for teachers to rates based on the 2015 NYSTRS mortality rates.
- Updated healthcare cost trend rates to rates effective July 1, 2016 and June 30, 2017.

The Single Discount Rate changed from 4.00% to 3.35% effective July 1, 2016, and 3.80% effective June 30, 2017.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.8 percent) or 1-percentage-point higher (4.8 percent) than the current discount rate:

	1% Decrease (2.8%)	Discount Rate (3.8%)	1% Increase (4.8%)
Total OPEB Liability	\$ 58,470,297	\$ 48,191,831	\$ 40,277,982

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.3 percent decreasing to 3.17 percent) or 1-percentage-point higher (6.3 percent decreasing to 5.17 percent) than the current healthcare cost trend rate:

	1% Decrease (4.3% Decreasing to 3.17%)	Healthcare Cost Trend Rates (5.3% Decreasing to 4.17%)	1% Increase (6.3% Decreasing to 5.17%)
Total OPEB Liability	\$ 37,173,812	\$ 48,191,831	\$ 62,156,804

(XIV.) (Continued)

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

For the year ended June 30, 2017, the District recognized OPEB expense of \$2,979,147. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expended and actual experience	\$ 6,419,213	\$ -
Changes of assumptions	-	3,151,916
Total	<u>\$ 6,419,213</u>	<u>\$ 3,151,916</u>

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

<u>Year</u>	
2018	\$ 323,495
2019	323,495
2020	323,495
20201	323,495
2022	323,495
Thereafter	<u>1,649,822</u>
Total	<u>\$ 3,267,297</u>

XV. **Risk Management**

A. **General Information**

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

B. **Health Plan**

The District incurs costs related to the Rochester Area School Health Plan (Plan I and Plan II) sponsored by the Board of Cooperative Educational Services, Second Supervisory District of Monroe and Orleans Counties and its component districts. The Plans objectives are to formulate, develop and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Membership in the Plans may be offered to any component district of the Monroe #1 and Monroe #2 BOCES with the unanimous approval of the Board of Directors. Voluntary withdrawal from the Plans may be effective only once annually on the last day of the Plans year as may be established by the Board of Directors. Notice of Intention to Withdraw must be given in writing to the Chairman of the Board of Directors and the Treasurer not less than thirty days prior to the end of the Plans year. Plan members bear an equal proportionate share of the Plans' assets and claim liabilities. Pursuant to the Municipal Cooperative Agreement the Plans are a risk sharing pool and all monies paid to the Treasurer shall be pooled and administered as a common fund. No refunds shall be made to a participant and no assessments are charged to a participant other than the annual premium equivalent. If surplus funds exist at the end of any fiscal year, the distribution of such funds shall be determined by the Board of Directors.

(XV.) (Continued)

1. **Plan I**

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

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

This Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expenses in the periods in which they are made. During the year ended June 30, 2017, the District incurred premiums or contribution expenditures totaling \$696,614.

This Plan is audited on an annual basis and is available at the BOCES administrative offices. The most recent audit available for the year ended December 31, 2016, revealed that the Plan was fully funded.

2. **Plan II**

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

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

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

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

(XV.) (Continued)

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

An audit of the financial transactions will be completed for the year ended June 30, 2016. During the year ended June 30, 2017, the District incurred premiums or contribution expenditures totaling \$3,227,323.

C. Workers' Compensation

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

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

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

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

Adjustments to claims liabilities are charged or credited to expenses in the periods in which they are made. During the year ended June 30, 2017, the District incurred premiums or contribution expenditures totaling \$103,432.

(XV.) (Continued)

The Plan is audited on an annual basis and is available at the BOCES administrative offices. The most recent audit available for the year ended June 30, 2016, revealed that the Plan was not fully funded.

C. Dental Coverage

The District self insures for dental coverage for its employees. The District uses a third party administrator who is responsible for processing claims and estimating liabilities. The expenditures as claims are presented for payment with a cap of \$750 per employee or employee dependent. Liabilities are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated.

A reconciliation of the claims recorded for 2017 and 2016 is as follows:

	<u>2017</u>	<u>2016</u>
Beginning liabilities	\$ 228,031	\$ 183,138
Incurred claims	213,980	209,717
Claims payments	<u>(169,931)</u>	<u>(164,824)</u>
Ending liabilities	<u>\$ 272,080</u>	<u>\$ 228,031</u>

The following statistical information is presented:

<u>Year</u>	<u>Contribution Revenue</u>	<u>Actual Claim Expense</u>
2017	\$ 169,931	\$ 213,980
2016	\$ 164,824	\$ 209,717
2015	\$ 142,667	\$ 156,535

D. Unemployment

District employees are entitled to coverage under the New York State Unemployment Insurance Law. The District has elected to discharge its liability to the New York State Unemployment Insurance Fund (the Fund) by the benefit reimbursement method, a dollar-for-dollar reimbursement to the fund for benefits paid from the fund to former employees. The District has established a self insurance fund to pay these claims. The claim and judgment expenditures of this program for the 2016-17 fiscal year totaled \$8,829. The balance of the fund at June 30, 2017 was \$1,039,079 and is recorded in the General Fund as an Unemployment Insurance Reserve. In addition, as of June 30, 2017, no loss contingencies existed or were considered probable or estimable for incurred but not reported claims payable.

XVI. Commitments and Contingencies

A. Litigation

The District has several pending tax certiorari cases in which the outcome cannot be determined at this time, however, the District has established a tax certiorari reserve to help offset any potential liability.

(XVI.) (Continued)

B. Grants

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

XVII. Rental of District Property

The District leases property to various organizations. Total rental income for the 2016-17 fiscal year totaled \$836,332 for space at Bird & Morgan rented to Monroe 2 BOCES.

Minimum lease payments to be received for each of the remaining years of leases:

Year Ending	
<u>June 30,</u>	<u>Amount</u>
2018	\$ 796,680
2019	\$ 796,680

XVIII. Tax Abatement

The County of Monroe IDA, and the District enter into various property tax abatement programs for the purpose of Economic Development. As a result the District property tax revenue was reduced \$115,486. The District received payment in lieu of tax (PILOT) payment totaling \$92,608 to help offset the property tax reduction. The total net tax abated was \$22,878.

Required Supplementary Information
EAST ROCHESTER UNION FREE SCHOOL DISTRICT, NEW YORK
Schedule of Changes in District's Total OPEB Liability and Related Ratio
(Unaudited)
For Year Ended June 30, 2017

TOTAL OPEB LIABILITY	
	<u>2017</u>
Service cost	\$ 1,209,948
Interest	1,445,704
Differences between expected and actual experiences	7,054,779
Changes of assumptions or other inputs	(3,463,987)
Benefit payments	<u>(850,053)</u>
Net Change in Total OPEB Liability	\$ 5,396,391
Total OPEB Liability - Beginning	\$ <u>42,795,440</u>
Total OPEB Liability - Ending	\$ <u><u>48,191,831</u></u>
Covered Employee Payroll	\$ 10,889,711
Total OPEB Liability as a Percentage of Covered Employee Payroll	442.55%

Required Supplementary Information
EAST ROCHESTER UNION FREE SCHOOL DISTRICT, NEW YORK
Schedule of the District's Proportionate Share of the Net Pension Liability
(Unaudited)
For Year Ended June 30, 2017

NYSERS Pension Plan			
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (assets)	0.0061%	0.0062%	0.0066%
Proportionate share of the net pension liability (assets)	\$ 571,670	\$ 1,002,357	\$ 203,186
Covered-employee payroll	\$ 1,606,060	\$ 1,581,416	\$ 1,666,072
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	35.595%	63.384%	12.196%
Plan fiduciary net position as a percentage of the total pension liability	94.70%	90.70%	97.90%

NYSTRS Pension Plan			
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (assets)	0.0552%	0.0526%	0.0489%
Proportionate share of the net pension liability (assets)	\$ 591,130	\$ (5,459,911)	\$ (5,448,018)
Covered-employee payroll	\$ 8,184,199	\$ 8,071,989	\$ 7,568,698
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	7.223%	-67.640%	-71.981%
Plan fiduciary net position as a percentage of the total pension liability	99.01%	110.46%	111.48%

(See Independent Auditors' Report)

Required Supplementary Information
EAST ROCHESTER UNION FREE SCHOOL DISTRICT, NEW YORK
Schedule of District Contributions
(Unaudited)
For Year Ended June 30, 2017

NYSERS Pension Plan

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 242,092	\$ 262,447	\$ 304,277
Contributions in relation to the contractually required contribution	<u>(242,092)</u>	<u>(262,447)</u>	<u>(304,277)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 1,606,060	\$ 1,581,416	\$ 1,666,072
Contributions as a percentage of covered-employee payroll	15.07%	16.60%	18.26%

NYSTRS Pension Plan

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 1,075,181	\$ 1,196,113	\$ 1,451,464
Contributions in relation to the contractually required contribution	<u>(1,075,181)</u>	<u>(1,196,113)</u>	<u>(1,451,464)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 8,184,199	\$ 8,071,989	\$ 7,568,698
Contributions as a percentage of covered-employee payroll	13.14%	14.82%	19.18%

Required Supplementary Information
EAST ROCHESTER UNION FREE SCHOOL DISTRICT, NEW YORK
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual - General Fund
(Unaudited)
For Year Ended June 30, 2017

	<u>Original</u> <u>Budget</u>	<u>Amended</u> <u>Budget</u>	<u>Current</u> <u>Year's</u> <u>Revenues</u>	<u>Over (Under)</u> <u>Revised</u> <u>Budget</u>
REVENUES				
Local Sources -				
Real property taxes	\$ 11,353,154	\$ 11,353,154	\$ 11,353,154	\$ -
Real property tax items	2,260,792	2,260,792	2,273,859	13,067
Non-property taxes	800,000	800,000	956,451	156,451
Charges for services	5,000	5,000	100,291	95,291
Use of money and property	391,000	391,000	871,662	480,662
Sale of property and compensation for loss	-	-	29,232	29,232
Miscellaneous	60,000	60,000	286,502	226,502
State Sources -				
Basic formula	10,073,013	10,073,013	8,529,748	(1,543,265)
Lottery aid	-	-	1,491,691	1,491,691
BOCES	1,078,054	1,078,054	979,187	(98,867)
Textbooks	103,765	103,765	61,629	(42,136)
All Other Aid -				
Computer software	-	-	34,004	34,004
Library loan	-	-	6,931	6,931
Other aid	156,349	156,349	1,883	(154,466)
Federal Sources	45,000	45,000	45,727	727
TOTAL REVENUES	<u>\$ 26,326,127</u>	<u>\$ 26,326,127</u>	<u>\$ 27,021,951</u>	<u>\$ 695,824</u>
Other Sources -				
Transfer - in	\$ 200,000	\$ 200,000	\$ 201,058	\$ 1,058
TOTAL REVENUES AND OTHER SOURCES	<u>\$ 26,526,127</u>	<u>\$ 26,526,127</u>	<u>\$ 27,223,009</u>	<u>\$ 696,882</u>
Appropriated reserves	\$ 522,750	\$ 524,459		
Appropriated fund balance	\$ 400,000	\$ 400,000		
Prior year encumbrances	\$ 528,293	\$ 528,293		
TOTAL REVENUES AND APPROPRIATED RESERVES/ FUND BALANCE	<u>\$ 27,977,170</u>	<u>\$ 27,978,879</u>		

(See Independent Auditors' Report)

Required Supplementary Information
EAST ROCHESTER UNION FREE SCHOOL DISTRICT, NEW YORK
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual - General Fund
(Unaudited)
For Year Ended June 30, 2017

	<u>Original</u> <u>Budget</u>	<u>Amended</u> <u>Budget</u>	<u>Current</u> <u>Year's</u> <u>Expenditures</u>	<u>Encumbrances</u>	<u>Unencumbered</u> <u>Balances</u>
EXPENDITURES					
General Support -					
Board of education	\$ 63,800	\$ 49,547	\$ 42,831	\$ 734	\$ 5,982
Central administration	205,808	234,352	234,351	-	1
Finance	723,960	844,084	799,235	11,860	32,989
Staff	218,800	191,160	132,347	-	58,813
Central services	2,034,947	2,179,156	1,903,543	87,352	188,261
Special items	408,000	378,292	362,783	-	15,509
Instructional -					
Instruction, administration and improvement	757,458	789,491	701,118	9,214	79,159
Teaching - regular school	5,613,111	5,376,568	4,997,822	148,258	230,488
Programs for children with handicapping conditions	5,365,541	5,283,289	4,678,097	5,059	600,133
Occupational education	691,003	673,216	606,990	43,048	23,178
Teaching - special schools	124,032	67,834	52,255	894	14,685
Instructional media	867,603	846,341	591,197	205,341	49,803
Pupil services	1,191,712	1,251,649	1,128,995	26,870	95,784
Pupil Transportation	799,515	862,032	792,146	14,959	54,927
Community Services	73,180	53,393	47,877	4,219	1,297
Employee Benefits	6,235,500	6,290,107	5,990,907	-	299,200
Debt service - principal	1,927,500	1,927,500	1,927,470	-	30
Debt service - interest	675,700	614,739	601,168	-	13,571
TOTAL EXPENDITURES	<u>\$ 27,977,170</u>	<u>\$ 27,912,750</u>	<u>\$ 25,591,132</u>	<u>\$ 557,808</u>	<u>\$ 1,763,810</u>
Other Uses -					
Transfers - out	\$ -	\$ 66,129	\$ 66,129	\$ -	\$ -
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 27,977,170</u>	<u>\$ 27,978,879</u>	<u>\$ 25,657,261</u>	<u>\$ 557,808</u>	<u>\$ 1,763,810</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES					
	\$ -	\$ -	\$ 1,565,748		
FUND BALANCE, BEGINNING OF YEAR	<u>15,924,275</u>	<u>15,924,275</u>	<u>15,924,275</u>		
FUND BALANCE, END OF YEAR	<u>\$ 15,924,275</u>	<u>\$ 15,924,275</u>	<u>\$ 17,490,023</u>		

Note to Required Supplementary Information:

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

Supplementary Information
EAST ROCHESTER UNION FREE SCHOOL DISTRICT, NEW YORK
Schedule of Change From Adopted Budget To Final Budget
And The Real Property Tax Limit
For Year Ended June 30, 2017

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET:

Adopted budget		\$ 27,448,877
Prior year's encumbrances		<u>528,293</u>
Original Budget		\$ 27,977,170
Budget revisions -		
Appropriation from the tax certiorari reserve		<u>1,709</u>
FINAL BUDGET		<u>\$ 27,978,879</u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION:

2017-18 voter approved expenditure budget		\$ 27,592,226
<u>Unrestricted fund balance:</u>		
Assigned fund balance	\$ 957,808	
Unassigned fund balance	<u>1,102,881</u>	
Total Unrestricted fund balance	<u>\$ 2,060,689</u>	
<u>Less adjustments:</u>		
Appropriated fund balance	\$ 400,000	
Encumbrances included in assigned fund balance	<u>557,808</u>	
Total adjustments	<u>\$ 957,808</u>	
General fund fund balance subject to Section 1318 of		
Real Property Tax Law		<u>1,102,881</u>
ACTUAL PERCENTAGE		<u>4.00%</u>

Supplementary Information
EAST ROCHESTER UNION FREE SCHOOL DISTRICT, NEW YORK
CAPITAL PROJECTS FUND
Schedule of Project Expenditures
June 30, 2017

Project Title	Original Appropriation	Revised Appropriation	Expenditures		Unexpended Balance	Methods of Financing			Fund Balance	
			Prior Years	Current Year		Total	Obligations	Local Sources		Transfers
Chiller Project	\$ 150,000	\$ 200,000	\$ 163,906	\$ -	\$ 36,094	\$ -	\$ 164,964	\$ (1,058)	\$ 163,906	\$ -
2015-16 Project	7,900,000	7,900,000	4,228,647	2,021,692	1,649,661	3,520,000	2,823,520	(93,181)	6,250,339	-
TOTAL	\$ 8,050,000	\$ 8,100,000	\$ 4,392,553	\$ 2,021,692	\$ 1,685,755	\$ 3,520,000	\$ 2,988,484	\$ (94,239)	\$ 6,414,245	\$ -

Supplementary Information
EAST ROCHESTER UNION FREE SCHOOL DISTRICT, NEW YORK
Combined Balance Sheet - Nonmajor Governmental Funds
June 30, 2017

	<u>Special</u> <u>Revenue Fund</u>		<u>Total</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
	<u>School</u> <u>Lunch</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	
ASSETS			
Cash and cash equivalents	\$ 204,349	\$ 1,580,047	\$ 1,784,396
Receivables	1,302	-	1,302
Inventories	32,347	-	32,347
Due from other funds	52,239	129,086	181,325
TOTAL ASSETS	\$ 290,237	\$ 1,709,133	\$ 1,999,370
LIABILITIES AND FUND BALANCES			
<u>Liabilities -</u>			
Accounts payable	\$ 1,848	\$ -	\$ 1,848
Accrued liabilities	851	-	851
Due to other funds	5,103	200,000	205,103
Due to other governments	3,888	-	3,888
Due to ERS	4,396	-	4,396
Unearned revenue	1,729	-	1,729
TOTAL LIABILITIES	\$ 17,815	\$ 200,000	\$ 217,815
<u>Fund Balances -</u>			
Nonspendable	\$ 32,347	\$ -	\$ 32,347
Restricted	-	1,509,133	1,509,133
Assigned	240,075	-	240,075
TOTAL FUND BALANCE	\$ 272,422	\$ 1,509,133	\$ 1,781,555
TOTAL LIABILITIES AND			
FUND BALANCES	\$ 290,237	\$ 1,709,133	\$ 1,999,370

(See Independent Auditors' Report)

Supplementary Information
EAST ROCHESTER UNION FREE SCHOOL DISTRICT, NEW YORK
Combined Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For Year Ended June 30, 2017

	<u>Special Revenue Fund</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>School Lunch Fund</u>	<u>Debt Service Fund</u>	
REVENUES			
Use of money and property	\$ -	\$ 2,781	\$ 2,781
Miscellaneous	10,310	-	10,310
State sources	9,248	-	9,248
Federal sources	297,539	-	297,539
Sales	86,059	-	86,059
Premium on obligations issued	-	566,378	566,378
TOTAL REVENUES	\$ 403,156	\$ 569,159	\$ 972,315
EXPENDITURES			
General support	\$ -	\$ 100,553	\$ 100,553
Employee benefits	13,572	-	13,572
Debt service - principal	-	425,000	425,000
Cost of sales	163,188	-	163,188
Other expenses	167,992	-	167,992
TOTAL EXPENDITURES	\$ 344,752	\$ 525,553	\$ 870,305
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 58,404	\$ 43,606	\$ 102,010
OTHER FINANCING SOURCES (USES)			
Transfers - in	\$ -	\$ 93,181	\$ 93,181
Transfers - out	-	(200,000)	(200,000)
TOTAL OTHER FINANCING SOURCES (USES)	\$ -	\$ (106,819)	\$ (106,819)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ 58,404	\$ (63,213)	\$ (4,809)
FUND BALANCE, BEGINNING OF YEAR	214,018	1,572,346	1,786,364
FUND BALANCE, END OF YEAR	\$ 272,422	\$ 1,509,133	\$ 1,781,555

Supplementary Information
EAST ROCHESTER UNION FREE SCHOOL DISTRICT, NEW YORK
Net Investment in Capital Assets
For Year Ended June 30, 2017

Capital assets, net		\$ 37,198,196
Deduct:		
Short-term portion of bonds payable	\$ 2,040,000	
Long-term portion of bonds payable	11,500,000	
Short-term portion of energy performance contract	80,824	
Long-term portion of energy performance contract	264,073	
Long-term portion of bond premium	<u>476,570</u>	
		<u>14,361,467</u>
Net Investment in Capital Assets		<u>\$ 22,836,729</u>

Supplementary Information
EAST ROCHESTER UNION FREE SCHOOL DISTRICT, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For Year Ended June 30, 2017

<u>Grantor / Pass - Through Agency</u> <u>Federal Award Cluster / Program</u>	<u>CFDA</u> <u>Number</u>	<u>Grantor</u> <u>Number</u>	<u>Pass-Through</u> <u>Agency</u> <u>Number</u>	<u>Total</u> <u>Expenditures</u>
<u>U.S. Department of Education:</u>				
<u>Indirect Programs:</u>				
<u>Passed Through NYS Education Department -</u>				
<u>Special Education Cluster IDEA -</u>				
Special Education - Grants to States (IDEA, Part B)	84.027	N/A	0032-16-0367	\$ 12,327
Special Education - Grants to States (IDEA, Part B)	84.027	N/A	0032-17-0367	276,462
Special Education - Preschool Grants (IDEA Preschool)	84.173	N/A	0033-16-0367	1,592
Special Education - Preschool Grants (IDEA Preschool)	84.173	N/A	0033-17-0367	14,613
<i>Total Special Education Cluster IDEA</i>				\$ 304,994
Title IIA - Teacher Training	84.367	N/A	0147-17-1380	34,874
Title IIA - Teacher Training	84.367	N/A	0147-16-1380	12,901
Title I - Grants to Local Educational Agencies	84.010	N/A	0021-16-1380	16,877
Title I - Grants to Local Educational Agencies	84.010	N/A	0021-17-1380	392,661
Total U.S. Department of Education				\$ 762,307
<u>U.S. Department of Agriculture:</u>				
<u>Indirect Programs:</u>				
<u>Passed Through NYS Education Department -</u>				
<u>Child Nutrition Cluster -</u>				
National School Lunch Program	10.555	N/A	005546	\$ 200,523
National School Lunch Program-Non-Cash Assistance (Commodities)	10.555	N/A	005546	26,876
National School Snack Program	10.555	N/A	005502	696
National Summer Food Service program	10.559	N/A	005546	15,231
National School Breakfast Program	10.553	N/A	005546	54,212
<i>Total Child Nutrition Cluster</i>				\$ 297,538
Total U.S. Department of Agriculture				\$ 297,538
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 1,059,845

Raymond F. Wager, CPA, P.C.
Certified Public Accountants

Shareholders:

Raymond F. Wager, CPA
Thomas J. Lauffer, CPA
Thomas C. Zuber, CPA

Members of
American Institute of
Certified Public Accountants
and
New York State Society of
Certified Public Accountants

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

Independent Auditors' Report

To the Board of Education
East Rochester Union Free School District, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Rochester Union Free School District, New York, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the East Rochester Union Free School District, New York's basic financial statements, and have issued our report thereon dated September 15, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the East Rochester Union Free School District, New York's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the East Rochester Union Free School District, New York's internal control. Accordingly, we do not express an opinion on the effectiveness of the East Rochester Union Free School District, New York'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 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 may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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



September 15, 2017

EAST ROCHESTER UNION FREE SCHOOL DISTRICT

NEW YORK

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

For Year Ended June 30, 2017

Raymond F. Wager, CPA, P.C.
Certified Public Accountants

Shareholders:

Raymond F. Wager, CPA
Thomas J. Lauffer, CPA
Thomas C. Zuber, CPA

Members of
American Institute of
Certified Public Accountants
and
New York State Society of
Certified Public Accountants

September 15, 2017

To the Board of Education
East Rochester Union Free School District, New York

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Rochester Union Free School District, New York as of and for the year ended June 30, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the East Rochester Union Free School District, New York'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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Prior Year Deficiencies Pending Corrective Action:

School Lunch Fund –

As indicated in the financial statements, the fund balance in the School Lunch Fund at June 30, 2017 totaled \$240,075. This balance appears to be in excess of the three month average expenditure level recommended by Federal Regulation #7CFR Part 210.15.

We recommend the District continue to monitor the school lunch fund balance.

Special Aid Fund –

As indicated in the financial statements, the total revenue from state and federal sources totaled \$1,108,171. As of June 30, 2017 the District's state and federal aid receivable totaled \$728,705, approximately 65% of the total state and federal aid received.

In order to enhance cash management, we recommend the District file Form FS-25 monthly for projects with budgets exceeding \$100,000 and quarterly for all other projects.

Current Year Deficiencies in Internal Control:

Summer School 4408 Program –

The New York State Education Department now provides the new EFH670 summary of 4408/4201 STAC approval and verified cost and state aid payments, twice a year. This document should be reviewed to ensure the services provided are properly STAC'ed and the District's local share can be more easily calculated.

We recommend an individual independent of the STAC submission process review this document on a semi-annual basis.

Prior Year Recommendations:

We are pleased to report the following prior year recommendations have been implemented to our satisfaction:

1. The District prepared and sent salary notices to all employees in the 2016-17 fiscal year.
2. All individuals examined that worked over 40 hours during one week were paid overtime.

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

* * * * *

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

Raymond J. Wages, CPA, PC

September 15, 2017

EAST ROCHESTER UNION FREE SCHOOL DISTRICT

EAST ROCHESTER, NEW YORK

SINGLE AUDIT REPORT

For Year Ended June 30, 2017

CONTENTS

	<u>Page</u>
Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	1 - 3
Schedule of Expenditures of Federal Awards	4
Notes to Schedule of Expenditures of Federal Awards	5
Schedule of Findings and Questioned Costs	6 - 7

Raymond F. Wager, CPA, P.C.
Certified Public Accountants

Shareholders:

Raymond F. Wager, CPA
Thomas J. Lauffer, CPA
Thomas C. Zuber, CPA

Members of
American Institute of
Certified Public Accountants
and
New York State Society of
Certified Public Accountants

**Report on Compliance For Each Major Federal Program;
Report on Internal Control Over Compliance;
and Report on the Schedule of Expenditures of
Federal Awards Required by the Uniform Guidance**

Independent Auditors' Report

To the Board of Education
East Rochester Union Free School District
New York

Report on Compliance for Each Major Federal Program

We have audited the East Rochester Union Free School District, New York's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2017. The East Rochester Union Free School District, New York's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the East Rochester Union Free School District, New York's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the East Rochester Union Free School District, New York's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the East Rochester Union Free School District, New York's compliance.

Opinion on Each Major Federal Program

In our opinion, the East Rochester Union Free School District, New York complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with *OMB Compliance Supplement* and which are described in the accompanying schedule of findings and questioned costs as item 2017-001. Our opinion on each major federal program is not modified with respect to these matters.

East Rochester Union Free School District, New York's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. East Rochester Union Free School District, New York's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

The management of the East Rochester Union Free School District, New York is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the East Rochester Union Free School District, New York's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the East Rochester Union Free School District, New York's internal control over compliance.

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the East Rochester Union Free School District, New York as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the East Rochester Union Free School District, New York's basic financial statements. We issued our report thereon dated September 15, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



September 15, 2017

**EAST ROCHESTER UNION FREE SCHOOL DISTRICT, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

<u>Grantor / Pass - Through Agency</u> <u>Federal Award Cluster / Program</u>	<u>CFDA</u> <u>Number</u>	<u>Grantor</u> <u>Number</u>	<u>Pass-Through</u> <u>Agency</u> <u>Number</u>	<u>Total</u> <u>Expenditures</u>
<u>U.S. Department of Education:</u>				
<u>Indirect Programs:</u>				
<u>Passed Through NYS Education Department -</u>				
<u>Special Education Cluster IDEA -</u>				
Special Education - Grants to States (IDEA, Part B)	84.027	N/A	0032-16-0367	\$ 12,327 *
Special Education - Grants to States (IDEA, Part B)	84.027	N/A	0032-17-0367	276,462 *
Special Education - Preschool Grants (IDEA Preschool)	84.173	N/A	0033-16-0367	1,592 *
Special Education - Preschool Grants (IDEA Preschool)	84.173	N/A	0033-17-0367	14,613 *
<i>Total Special Education Cluster IDEA</i>				\$ 304,994
Title IIA - Teacher Training	84.367	N/A	0147-16-1380	12,901
Title IIA - Teacher Training	84.367	N/A	0147-17-1380	34,874
Title I - Grants to Local Educational Agencies	84.010	N/A	0021-16-1380	16,877
Title I - Grants to Local Educational Agencies	84.010	N/A	0021-17-1380	392,661
Total U.S. Department of Education				\$ 762,307
<u>U.S. Department of Agriculture:</u>				
<u>Indirect Programs:</u>				
<u>Passed Through NYS Education Department -</u>				
<u>Child Nutrition Cluster -</u>				
National School Lunch Program	10.555	N/A	005546	\$ 200,523
National School Lunch Program-Non-Cash Assistance (Commodities)	10.555	N/A	005546	26,876
National School Snack Program	10.555	N/A	005546	696
National Summer Food Service program	10.559	N/A	005546	15,231
National School Breakfast Program	10.553	N/A	005546	54,212
<i>Total Child Nutrition Cluster</i>				\$ 297,538
Total U.S. Department of Agriculture				\$ 297,538
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 1,059,845

* Major Programs

EAST ROCHESTER UNION FREE SCHOOL DISTRICT, NEW YORK

Notes to Schedule of Expenditures of Federal Awards

June 30, 2017

1. Basis of Presentation:

The accompanying Schedule of Expenditures of Federal Awards (the schedule) includes the federal award activity of the East Rochester Union Free School District, New York (the District) under programs of the federal government for the year ended June 30, 2017. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirement's, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position.

2. Summary of Significant Accounting Policies:

Expenditures reported on the schedule are reported on the GAAP basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. Indirect Costs:

The District has elected to not use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance. Indirect costs are included in the reported expenditures to the extent they are included in the federal financial reports used as the source for the data presented.

4. Matching Costs

Matching costs, i.e., the East Rochester Union Free School District's share of certain program costs, are not included in the reported expenditures.

5. Non-Monetary Federal Program

The East Rochester Union Free School District, New York is the recipient of a federal financial award program that does not result in cash receipts or disbursements termed a "non-monetary program". This program Surplus Food Distribution (CFDA Number 10.555), and the fair market value of the food commodities received during the fiscal year is presented in the accompanying Schedule of Expenditures of Federal Awards and was considered in the East Rochester Union Free School District, New York's single audit.

EAST ROCHESTER UNION FREE SCHOOL DISTRICT, NEW YORK

Schedule of Findings and Questioned Costs

June 30, 2017

I. Summary of the Auditor's Results

Financial Statements

a) Type of auditor's report issued	Unmodified
b) Internal control over financial reporting	
1. Material weaknesses identified	No
2. Significant deficiency(ies) identified	No
c) Noncompliance material to financial statements noted	No

Federal Awards

a) Internal control over major programs	
1. Material weaknesses identified	No
2. Significant deficiency(ies) identified	No
b) Type of auditor's report issued on compliance for major programs	Unmodified
c) Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)	Yes
d) Identification of major programs	
<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
Special Education Cluster (as defined by Uniform Guidance)	
CFDA #84.027	Special Education – Grants to States (IDEA, Part B)
CFDA #84.173	Special Education – Preschool Grants (IDEA, Preschool)
e) Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
f) Auditee qualifies as low-risk auditee	Yes

II. Financial Statement Findings

There were no current year findings and there were no prior year findings.

III. Federal Award Findings and Questioned Costs

Current Year Finding:

(#2017-001) School Lunch Fund Balance –

Criteria – Federal Regulation #7 CFR Part 210.15 requires that the School Lunch Program limit its net cash resources to an amount that does not exceed three months average expenditures.

Condition – The fund balance in the School Lunch Fund at June 30, 2017 totaled \$240,075. This balance appears to be in excess of three months average expenditures.

Effect – The District is not in compliance with Federal Regulation #7 CFR Part 210.15.

Recommendation – We recommend the District continue to monitor the School Lunch fund balance in order to comply with the Federal Regulation.

District's Response – The District is developing a plan to spend down funds on equipment purchases.

Prior Year Finding:

(#2016-001) School Lunch Fund Balance –

This finding has been addressed above as finding #2017-001.

EAST ROCHESTER UNION FREE SCHOOL DISTRICT

Corrective Action Plan

June 30, 2017

(#2017-001) School Lunch Fund Balance

The fund balance in the School Lunch Fund at June 30, 2017 totaled \$240,075. This balance appears to be in excess of three months average expenditures.

Corrective Action Plan

The District is developing a plan to spend down funds on equipment purchases.

EAST ROCHESTER UNION FREE SCHOOL DISTRICT

Summary Schedule of Prior Audit Findings

June 30, 2017

I. Prior Year Findings Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

(#2016-001) School Lunch Fund Balance

The fund balance in the School Lunch Fund at June 30, 2016 totaled \$190,285. This balance appears to be in excess of three months average expenditures.

Corrective Action Pending

The District is developing a plan to spend down funds on equipment purchases.

EAST ROCHESTER UNION FREE SCHOOL DISTRICT

NEW YORK

LETTER OF COMMUNICATION

For Year Ended June 30, 2017

Raymond F. Wager, CPA, P.C.
Certified Public Accountants

Shareholders:

Raymond F. Wager, CPA
Thomas J. Lauffer, CPA
Thomas C. Zuber, CPA

Members of
American Institute of
Certified Public Accountants
and
New York State Society of
Certified Public Accountants

September 15, 2017

To the Board of Education
East Rochester Union Free School District, New York

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of East Rochester Union Free School District for the year ended June 30, 2017, and have issued our report thereon dated September 15, 2017. Professional standards require that we provide you with the following information related to our audit.

A. Our Responsibility Under U.S. Generally Accepted Auditing Standards and OMB Uniform Guidance

As stated in our engagement letter dated April 24, 2017, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the East Rochester Union Free School District, New York's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Uniform Guidance.

As part of obtaining reasonable assurance about whether the East Rochester Union Free School District, New York's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with OMB Uniform Guidance, we examined, on a test basis, evidence about the East Rochester Union Free School District, New York's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Uniform Guidance* applicable to each of its major federal programs for the purpose of expressing an opinion on the East Rochester Union Free School District, New York's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the East Rochester Union Free School District, New York's compliance with those requirements.

**To the Board of Education
East Rochester Union Free School District, New York**

B. Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to your audit committee in our meeting about planning matters on June 12, 2017.

C. Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by East Rochester Union Free School District, New York are described in Note 1 to the financial statements. The new accounting pronouncements which were implemented were GASB Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 57*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, GASB Statement 77, *Tax Abatement Disclosures*, GASB Statement 80, *Blending Requirements for Certain Component Units-an Amendment of GASB Statement No. 14* and GASB Statement 82, *Pensions Issues-an amendment of GASB No. 67, No. 68 and No. 73*. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events effecting them may differ significantly from those expected. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no individually sensitive disclosures affecting the financial statements.

D. Difficulties Encountered in Performing the Audit

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

E. Corrected and Uncorrected Misstatements

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

F. Disagreements with Management

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

**To the Board of Education
East Rochester Union Free School District, New York**

G. Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 15, 2017.

H. Management Consultations with Other Independent Accountants

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

I. Other Audit Findings or Issues

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

J. Other Matters

We applied certain limited procedures to the management's discussion and analysis, schedule of changes in District's total OPEB liability and related ratio, schedule of District's proportionate share of the net pension liability, schedule of District contributions, and budget comparisons, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

* * *

This information is intended solely for the use of the Board of Education and management of the East Rochester Union Free School District, New York and is not intended to be and should not be used by anyone other than these specified parties.

Raymond F. Wager, CPA PC

September 15, 2017

EAST ROCHESTER UNION FREE SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

FINANCIAL REPORT

For Year Ended June 30, 2017

TABLE OF CONTENTS

Independent Auditors' Report	1 - 2
Statement of Cash Receipts and Disbursements for year ended June 30, 2017	3
Notes to Financial Statement	4
Auditors' Findings and Evaluation	5 - 6

Raymond F. Wager, CPA, P.C.
Certified Public Accountants

Shareholders:

Raymond F. Wager, CPA
Thomas J. Lauffer, CPA
Thomas C. Zuber, CPA

Members of
American Institute of
Certified Public Accountants
and
New York State Society of
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Education
East Rochester Union Free School District, New York

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity Funds of the East Rochester Union Free School District for the year ended June 30, 2017 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from misstatement.

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

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

Basis for Qualified Opinion

Internal accounting controls are limited over the cash receipts from the point of collection to the time of submission to the Central Treasurer. Accordingly, it was impracticable to extend our audit of such receipts beyond the amounts recorded.

Qualified Opinion

In our opinion, except for the possible effects of the matter discussed in the basis for qualified opinion paragraph, the financial statement referred to in the first paragraph presents fairly, in all material respects, the cash receipts and disbursements of the Extraclassroom Activity Funds of East Rochester Union Free School District for the year ended June 30, 2017, in accordance with the cash basis of accounting as described in Note 1.

Basis of Accounting

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



September 15, 2017

EAST ROCHESTER UNION FREE SCHOOL DISTRICT

Extracurricular Activity Funds

Statement of Cash Receipts and Disbursements

For Year Ended June 30, 2017

<u>All Schools</u>	<u>Cash Balance July 1, 2016</u>	<u>Receipts</u>	<u>Disburse- ments</u>	<u>Cash Balance June 30, 2017</u>
Class of 2016	\$ 118	\$ -	\$ 118	\$ -
Class of 2017	1,121	6,479	6,909	691
Class of 2018	12,493	9,604	16,821	5,276
Class of 2019	1,812	581	109	2,284
Class of 2020 - 8th Grade Trip	1,020	1,407	787	1,640
Class of 2021	-	26,917	24,897	2,020
Art Club	1,021	-	1,021	-
ECO Club	63	-	63	-
ER Connect	160	-	160	-
Foreign Language Club	328	96	70	354
Girls Varsity Club	171	-	-	171
High School Band	976	3,377	3,326	1,027
High School Drama	3,662	887	1,714	2,835
High School Singers	804	-	-	804
High School Student Council	2,878	4,271	3,645	3,504
High School Yearbook	2,708	3,338	4,120	1,926
Junior Honor Society	312	-	-	312
Middle School Student Council	1,580	481	721	1,340
Middle School Yearbook	1,283	1,213	1,251	1,245
Science Olympiad- HS	-	2,000	2,000	-
Sports Ski Fund	132	-	64	68
MLA Builders Club	-	50	-	50
NYS Sales Tax	1,434	1,696	2,260	870
Total	\$ 34,076	\$ 62,397	\$ 70,056	\$ 26,417

EAST ROCHESTER UNION FREE SCHOOL DISTRICT, NEW YORK

EXTRACLASSROOM ACTIVITY FUNDS

NOTES TO FINANCIAL STATEMENT

June 30, 2017

(Note 1) Accounting Policy:

The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of the East Rochester Union Free School District. Consequently, the cash balances are included in the financial statements of the School District as part of the Trust and Agency Fund.

The accounts of the Extraclassroom Activity Funds of the East Rochester Union Free School District are maintained on a cash basis, and the statement of cash receipts and disbursements reflects only cash received and disbursed. Therefore, receivables and payables, inventories, long-lived assets, and accrued income and expenses, which would be recognized under generally accepted accounting principles, and which may be material in amount, are not recognized in the accompanying financial statement.

(Note 2) Cash and Cash Equivalents:

Cash and cash equivalents is comprised of one checking account. This account is maintained by M&T Bank. The balance in these accounts is fully covered by FDIC Insurance.

EAST ROCHESTER UNION FREE SCHOOL DISTRICT, NEW YORK

EXTRACLASSROOM ACTIVITY FUNDS

AUDITORS' FINDINGS AND EVALUATION

We have examined the statement of cash receipts and disbursements of the East Rochester Union Free School District's Extraclassroom Activity Funds for the year ended June 30, 2017. As part of our examination, we made a study and evaluation of the system of internal accounting control to the extent we deemed necessary to render our opinion.

There are inherent limitations in considering the potential effectiveness of any system of internal accounting control. Human errors, mistakes of judgment and misunderstanding of instructions limit the effectiveness of any control system.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

Prior Year Deficiencies Pending Corrective Action:

Student Involvement –

Our examination revealed that while a separate set of books are maintained there appears to be limited student involvement in maintaining those books and preparing profit and loss statements for the Class of 2017 and the High School Yearbook.

We recommend the Student Treasurer be involved in all the financial transactions of the respective organization and prepare profit and loss statements with the Faculty Advisor.

Profit and Loss Statements –

During the course of our examination, we noted profit and loss statement were not prepared for the High School Yearbook. In addition, we could not reconcile the Fit n Fresh, JH Yearbook and Jr/Sr Gala sales back to the general ledger. Additionally the JH Yearbook, HS Drama Concessions and the pancake breakfast profit and loss statements were missing student signatures.

We recommend profit and loss statements be prepared at the close of each fund-raising event with the Student treasurer. In addition, these statements should be given to the Central Treasurer to be retained for our review at year end.

Other Item:

The following item is not considered to be a deficiency in internal control; however, we consider it an other item which we would like to communicate to you as follows:

Inactive Club –

As indicated on the statement of cash receipts and disbursements the Girls Varsity Club, Junior Honor Society and High School Singers were financially inactive during the 2016-17 fiscal year.

We recommend the status of these clubs be reviewed. If future financial activity is not anticipated, they should be closed in accordance with the Board of Education Policy.

Prior Year Recommendations:

Prior year recommendations are listed above.

*

*

*

We wish to express our appreciation to all client personnel for the courtesies extended to us during the course of our examination.

Raymond D. Wages, CPA, PC

September 15, 2017

East Rochester Union Free School District

2018-19 Budget Development Calendar

Final – Proposed to BOE 11/14/2017

<u>Calendar Date</u>	<u>Event</u>
Tuesday, November 14, 2017 <i>(Regular BOE Meeting)</i>	- 2018-19 Budget Calendar reviewed and adopted by Board of Education.
Thursday, November 16, 2017 (Special Cabinet Meeting – 9:00 AM)	- Budget Calendar posted and distributed to Administration. Distribution of 2018-19 Service Requests from <i>Monroe 2 BOCES</i> , and discussion – Requests due to Business Office by 11-27-2017. Cabinet Level Budget Discussion: Staffing / Big Ticket Items / New Initiatives. Specifically: <ol style="list-style-type: none"> 1.) 2018-19 enrollment and staffing projections 2.) New program requests 3.) Expansion of current programs 4.) Facilities project requests Administrators be prepared to discuss, with numbers, budgets for the above at December 7 th Cabinet Meeting.
Monday, November 27, 2017	- Initial Requests for Monroe 2 BOCES Services Due to Business Office. (Submit to M2 by Dec 1st)
Thursday, December 7, 2017 <i>(Administrative Cabinet)</i>	- Presentation and Discussion of 18-19 Proposed Budget Items Previously Discussed at November 16, 2017 Cabinet.
Tuesday, December 12, 2017 <i>(Regular BOE Meeting)</i>	- Preliminary Budget Forecast to BOE. Board of Education to hear public comments on 2018-19 budget.
Thursday, January 4, 2018 <i>(Administrative Cabinet)</i>	- Administrative Cabinet: Distribution of 2018-19 Service Request Form from Monroe 1 BOCES, and discussion.
Thursday, January 11, 2018	- Budget Development Spreadsheets Folder Open for Staff Budget Input. Deadline for Completion: February, 8, 2018
Tuesday, January 16, 2018 <i>(Regular BOE Meeting)</i>	- Budget status update to BOE Board of Education to hear public comments on 2018-19 budget.
Thursday, January 18, 2018 <i>(Administrative Cabinet)</i>	- Initial Requests for Monroe 1 BOCES Services Due to Business Office. (Submit to M1 by Feb. 1st)

Calendar Date	Event
Thursday, February 8, 2018	- Staff Budget Spreadsheet Completion Deadline
Tuesday, February 13, 2018 <i>(Regular BOE Meeting)</i>	- Budget status update to BOE – anticipated to incorporate Executive Budget state aid run. Board Reviews Tax Levy Limit Board of Education to hear public comments on 2018-19 budget.
Wednesday, February 14, 2018	- Commissioner of Taxation and Finance shall calculate the tax base growth factor for school districts and notify those with a positive quantity change factor so they can include such information in their calculation of the tax levy limit for the 18-19 school year.
Thursday, March 1, 2018 <i>(Tax Cap Submission Deadline - on or about March 1st every year)</i>	- Deadline for Submission of Tax Cap Calculation Information and District's Calculation of Tax Levy Limit to OSC, NYSED, and NYS Taxation and Finance. Petitions available for candidates for Board of Education. <i>(at least one month prior to deadline – our practice)</i>
Tuesday, March 6, 2018 <i>(Budget Workshop)</i>	- BOE Budget Workshop/Budget Status Update to BOE Interested Board Candidate Meet & Greet 6:00 PM
Thursday, March 15, 2018 – 3:00 P.M.	- Deadline to contact M-P Newspaper for Budget Legal Notice publication beginning on 3/30/18 (Don't forget Daily Record and RBJ)
Tuesday, March 20, 2018 <i>(Regular BOE Meeting)</i>	- Budget status update to BOE – <u>Last opportunity</u> to adopt at Regular Board Meeting. (Submit Property Tax Report Card within 24 hours of adoption). (See entry for April 21 and 23).
Tuesday, March 27 – Sunday, April 1, 2018 <i>(49-45 days prior to vote)</i>	- Publish 1st Budget Legal Notice (Also 4/12, 4/26, and 5/10) Legal notice of school budget hearing and budget vote. Must advertise 4 times within seven weeks of the vote with first publication 45 days before the date of the budget vote. Must be published in at least two newspapers of general circulation.
Tuesday, April 10, 2018 <i>(Budget Workshop)</i>	- BOE Budget Workshop. <u>Last opportunity</u> to adopt budget at a scheduled meeting of the Board – submit Property Tax Report Card within 24 hours of adoption. (See entry for April 21 and 23).

<u>Calendar Date</u>	<u>Event</u>
Thursday, April 12, 2018	- Publish 2 nd Budget Legal Notice Draft Budget Brochure to Information Office. Lottery drawing for placement of candidates' names on the ballot. April 12, 2018, 9:00 A.M. <i>(should be done in April)</i>
Monday, April 16, 2018 <i>(30 days prior to vote)</i>	- Earliest day to mail absentee ballots <i>(absentee ballots can be mailed no earlier than 30 days and no later than 7 days prior to vote [April 16 – May 9, 2018])</i> District Clerk maintains absentee ballot list through May 14, 2018. Last day to submit petitions for propositions to be placed on the ballot Deadline to accept submission of petitions for Board of Education candidates - due to District Clerk by 4:00 P.M. Deadline to inform candidates of legal requirements and filing of sworn statements of campaign contributions. First sworn statement to be filed with District Clerk and Commissioner of Education <i>(30 days prior to vote date)</i>
Friday, April 20, 2018	- Legal deadline for Budget Adoption by BOE. Budget document available to the public. Arrange for the pickup and return of voting machines with the Board of Elections contractor.
Saturday, April 21, 2018 <i>(24 Days Before Budget Vote)</i>	- This Marks 24 Days Before Budget Vote (Property Tax Report Card Submission Deadline)
Monday, April 23, 2018	- Legal Deadline for Submission of Property Tax Report Card. Property Tax Report Card must be submitted to SED within 24 hours of budget adoption, but not later than April 23, 2018. Transmit Property Tax Report Card to local newspapers of general circulation. SED accepts transmissions via SAMS through Monday, April 23, 2018.
Tuesday, April 24, 2018 <i>(Regular BOE Meeting)</i> This meeting is after the legal deadline for budget adoption	- Budget Statement and required attachments must be made available, upon request, at each school building, district office, public library, and on District website. (At least 7 days prior to hearing and 14 days prior to vote)

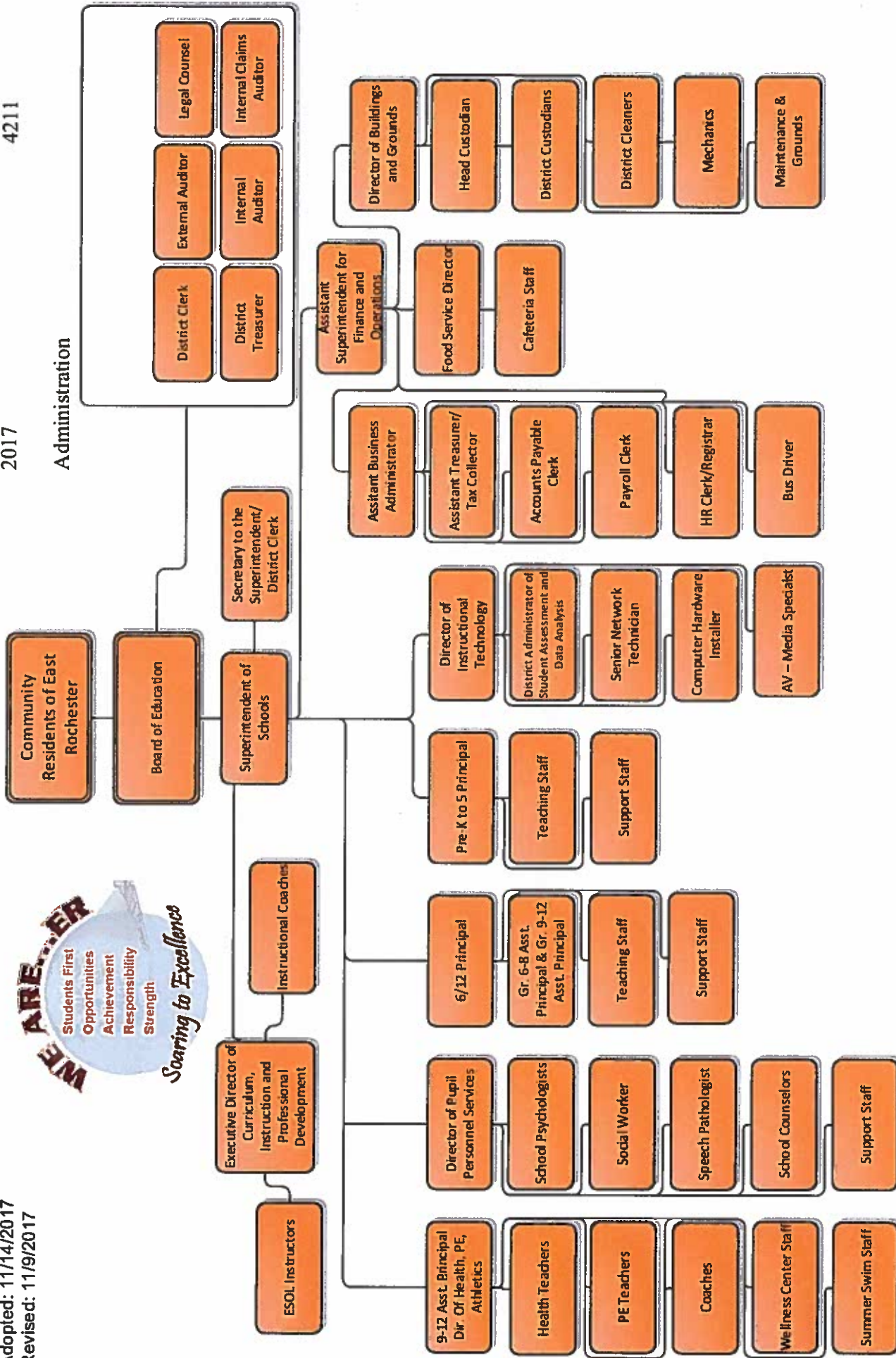
Thursday, April 26, 2018	- Publish 3 rd Budget Legal Notice
<u>Calendar Date</u>	<u>Event</u>
Tuesday, May 1, 2018 (Budget Hearing & Regular BOE Meeting) Date Range: May 1-8, 2018	- Budget Hearing. Budget Statement and required attachments must be made available. The budget must be presented in plain language and in three components: Administrative, Program and Capital.
Wednesday, May 2, 2018 Date Range: May 2-9, 2018	- Mail Budget Notice to eligible voters the day after the Budget Hearing but no later than 6 days prior to Budget Vote day.
Tuesday, May 8, 2018	- Last day to mail absentee ballots
Wednesday, May 9, 2018	- Last day to mail Budget Notice to eligible voters
Thursday, May 10, 2018	- Publish 4 th Budget Legal Notice
Thursday, May 10, 2018----- Thursday, May 10, 2018 – Monday, May 14, 2018 Monday, May 14, 2018-----	- Deadline for Second filing of BOE candidate’s sworn statements of campaign contributions with District Clerk and Commissioner of Education. Sworn statements of campaign contributions or loans in excess of \$1,000, received before vote date and not previously reported, to be filed with the District Clerk and the Commissioner of Education within 24 hours of receipt by candidates for membership on the Board of Education. District Clerk must maintain a list of names of those residents who were given absentee ballot and make such list available for public inspection the five days prior to the annual meeting except Sunday. (Public posting no longer required)
Tuesday, May 15, 2018 (Annual Meeting)	- Budget Vote and Election of Board of Education. (3 rd Tuesday in May) Last day to receive personally delivered absentee ballots – deadline 5:00 P.M.
Thursday, June 14, 2018	- Last date for BOE candidates to file final sworn statement of campaign contributions with District Clerk and Commissioner of Education (20 days after election).

June Budget Revote

<u>Calendar Date</u>	<u>Event</u>
Tuesday, May 29, 2018 - Tuesday, June 5, 2018	- Budget Statement and required attachments must be made available, upon request, at each school building and at the district office, public or free association library and on the district's website at least 7 days before hearing & 14 days before the budget revote.
Friday, June 1, 2018	- Publish 1st Budget Re-Vote Legal Notice
Tuesday, June 5, 2018 <i>(Budget Hearing – Budget Revote)</i>	- Budget Statement must be made available Deadline for publication of the first of two required legal notices prior to budget re-vote. (The legal notice for budget revote must be published once each week in the 2 weeks before revote day, first publication 14 days before revote.)
Wednesday, June 6, 2018	- Mail Budget Notice to voters the day after budget hearing but not later than six days before revote day (<i>June 13, 2018</i>)
Friday, June 8, 2018	- Publish 2nd Budget Re-Vote Legal Notice
Wednesday, June 13, 2018	- Last day to mail Budget Notice (<i>6 days prior to revote</i>)
Friday, June 15, 2018	- Publish 3rd Budget Re-Vote Legal Notice
Tuesday, June 19, 2018 <i>(Regular BOE Meeting)</i>	- Statewide Budget Revote Day (3rd Tuesday in June)



Administration



Students

SUBJECT: STUDENTS WITH LIFE-THREATENING HEALTH CONDITIONS

Students come to school with diverse medical conditions which may impact their learning as well as their health. Some of these conditions are serious and may be life-threatening. As a result, students, parents, school personnel, and health care providers must all work together to provide the necessary information and training to allow children with chronic health problems to participate as fully and safely as possible in the school experience. This policy encompasses an array of serious or life-threatening medical conditions such as anaphylaxis, diabetes, seizure disorders, or severe asthma and acute medical conditions such as substance overdose. All students within the District with known life-threatening conditions will have a comprehensive plan of care in place: an Emergency Care Plan (ECP) or Individualized Healthcare Plan (IHP) and if appropriate, an Individualized Education Plan (IEP) or Section 504 Plan.

Life-Threatening Conditions

For those students with chronic life-threatening conditions such as diabetes, seizure disorders, asthma, and allergies, the District must work cooperatively with the parent(s) and the healthcare provider(s) to:

- a) Immediately develop an ECP for each at risk student to ensure that all appropriate personnel are aware of the student's potential for a life-threatening reaction;
- b) If appropriate, develop an IHP that includes all necessary treatments, medications, training, and educational requirements for the student. If the student is eligible for accommodations based upon the Individuals with Disabilities Act (IDEA), Section 504 of the Rehabilitation Act of 1973, or the Americans with Disabilities Act, the appropriate procedures will be followed regarding evaluation and identification;
- c) Provide training by licensed medical personnel (e.g., registered professional nurse) for all adults in a supervisory role in the recognition and emergency management of a specific medical condition for specific students;
- d) Obtain specific medical-legal documents duly executed in accordance with New York State law; appropriate health care provider authorization in writing for specific students that includes the frequency and conditions for any testing and/or treatment, symptoms, and treatment of any conditions associated with the health problem; and directions for emergencies;
- e) Secure written parent permission and discuss parental responsibility that includes providing the health care provider's orders, providing any necessary equipment, and participation in the education and co-management of the child as he or she works toward self-management;

(Continued)

SUBJECT: STUDENTS WITH LIFE-THREATENING HEALTH CONDITIONS (Cont'd.)**Creating an Allergen-Safe School Environment**

The risk of accidental exposure or cross-contamination is always present in school, particularly for students with food allergies. The school setting is a high-risk environment for accidental ingestion of a food allergen due to the presence of a large number of students, increased exposure to food allergens, and cross-contamination of tables, desks, and other surfaces.

In an effort to prevent accidental exposure to allergens, the District will monitor the following high-risk areas and activities:

- a) Cafeteria;
- b) Food sharing;
- c) Hidden ingredients in art, science, and other projects;
- d) Transportation;
- e) Fund raisers and bake sales;
- f) Parties and holiday celebrations;
- g) Field trips;
- h) Before and after school programs.

Medication Self-Management

The District will work toward assisting students in the self-management of their chronic health condition based upon the student's knowledge level and skill by:

- a) Adequately training all staff involved in the care of the child, as appropriate;
- b) Assuring the availability of the necessary equipment and/or medications;
- c) Providing appropriately trained licensed persons as required by law;
- d) Developing an emergency plan for the student; and
- e) Providing ongoing staff and student education.

Americans with Disabilities Act, 42 USC § 12101 et seq.

Individuals with Disabilities Education Act (IDEA), 20 USC §§ 1400-1485

Section 504 of the Rehabilitation Act of 1973, 29 USC § 794 et seq.

34 CFR Part 300

Education Law §§ 6527 and 6908

8 NYCRR §§ 136.6, 136.7

Public Health Law §§ 2500-h, 3000-a, and 3000-c

NOTE: Refer also to Policy #7513 -- Administration of Medication

Adoption Date

REGULATION

2017

7521R
1 of 1

Students

SUBJECT: OPIOID OVERDOSE PREVENTION

In an effort to ensure the health and safety of its students and staff, the District will maintain and administer an opioid antagonist in its schools, specifically Naloxone, otherwise known by its brand name Narcan, for use during emergencies to any student or staff member experiencing a known or suspected opioid overdose regardless of a previous history of opioid abuse.

The District's medical director has issued a non-patient specific order to the school nurse to administer Naloxone on-site. As a result, the medical director, in collaboration with District administration, has acquired and provided Naloxone to the District for use in its schools. The school nurse will, in his/her individual discretion, and in collaboration with the medical director, choose the route of administration of the Naloxone. The medical director is responsible for having approved policies in place for re-ordering Naloxone in the event it is administered and to ensure that an adequate supply is continuously available in the buildings for use. Similarly, the administration of Naloxone to any student will be documented in his/her cumulative health record and for staff members, in their personnel file.

Storage and Inventory

The District will store its supply of Naloxone in a secure, but accessible, and temperate location consistent with its emergency response plan. The school nurse or personnel designated by the school administrator will inventory the supply of Naloxone on a weekly basis and record this information on a log which will be developed and/or maintained by the school nurse or other designated personnel/administrator. This record of information will include the date, time, and signature of the designated personnel performing the inventory.

Adoption Date