

FINANCIAL REPORT
AUDITED

CATSKILL CENTRAL SCHOOL DISTRICT
For the Year Ended June 30, 2023

Audited for:

Board of Education
CATSKILL CENTRAL SCHOOL DISTRICT

Audited By:

RBT CPAs, LLP
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CATSKILL CENTRAL SCHOOL DISTRICT

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LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Education
Catskill Central School District
347 West Main Street
Catskill, NY 12414

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Catskill Central School District (the "School District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Change in Accounting Principle

As discussed in Note XV to the financial statements, in 2023 the School District adopted new accounting guidance GASB 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining nonmajor fund financial statements and the schedule of indebtedness are not a required part of the basic financial statements.

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Change from Adopted Budget to Final Budget and Section 1318 Real Property Tax Law Limit Calculation, Capital Projects Fund – Project Length Schedule, and the Schedule of Net Investment in Capital Assets but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2023 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

RBT CPAs, LLP

Hudson, NY

November 1, 2023

**CATSKILL CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Introduction

The accompanying discussion and analysis of the Catskill Central School District's ("the School District") financial performance has been prepared to provide an overview of the School District's financial activities for the year ended June 30, 2023. The discussion and analysis is only an introduction and should be read in conjunction with the School District's financial statements.

Financial Highlights

- New York State Law limits the amount of unassigned fund balance that can be retained by the General Fund to 4% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$5,549,248. This amount was not within the statutory limit.
- As of the close of the current fiscal year, the School District's governmental fund financial statements report a combined ending fund balance of \$14,514,030, a decrease of \$3,941,815 during the current fiscal year. This decrease is due largely to the School District applying fund balance to help support the budget and capital expenditures related to District-wide Repairs projects.
- On the district-wide financial statements, the liabilities and deferred inflows of resources of the School District exceeded assets and deferred outflows of resources at the close of its most recent fiscal year by \$(11,554,383). The School District's total net position increased by \$399,762 for the year ended June 30, 2023. This is mainly a result of substantial liability decrease in Other Post-Employment Benefits ("OPEB") relating to of GASB Statement No. 75.
- For the year ending June 30, 2023, the School District recorded a liability of \$48,200,390 relating to OPEB. New York State has not authorized any legal mechanism to fund this liability.

Overview of the Financial Statements

This 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 consist of three components: (1) district-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.

Basic Financial Statements

The first two statements in the basic financial statements are the district-wide Financial Statements. They provide short and long-term information about the School District's financial status.

The next statements are Fund Financial Statements. These statements focus on the activities of the individual part of the School District. These statements provide more detail than the district-wide statements. There are two parts to the Fund Financial Statements: (1) the governmental and fiduciary statements and (2) the reconciliations to the district-wide financial statements.

The next section of the financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements.

**CATSKILL CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

District-wide Financial Statements

The district-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, deferred outflows of resources, liabilities and deferred inflows/outflows of resources, with the difference 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 School District'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, school lunch program and general administrative support.

The district-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 district-wide financial statements. However, unlike the district-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 district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. By doing so, 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 six individual governmental funds. The General Fund, Capital Projects Fund, School Lunch Fund, Debt Service Fund, Miscellaneous Special Revenue Fund and Special Aid Fund are presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances, reported as major or non-major funds.
- The School District adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund included in Required Supplementary Information to demonstrate compliance with the budget.
- The Fiduciary Funds (inclusive of student activity funds) are used to account for assets held by the School District in an agency capacity on behalf of others. Fiduciary funds are not reflected in the district-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 statements section of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements.

**CATSKILL CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Current Assets	\$ 27,510,177	\$ 21,229,807	\$ 6,280,370	29.58%
Capital Assets, Net	69,935,157	66,584,022	3,351,135	5.03%
Right of Use Lease Asset	679,634	457,158	222,476	48.67%
Net Pension Asset - Proportionate Share	-	14,984,073	(14,984,073)	-100.00%
Total Assets	<u>98,124,968</u>	<u>103,255,060</u>	<u>(5,130,092)</u>	<u>-4.97%</u>
Deferred Outflows of Resources				
Pensions	9,960,848	8,294,683	1,666,165	20.09%
Contributions Post Measurement	-	1,654,134	(1,654,134)	-100.00%
Other Postemployment Benefits	9,471,196	11,487,678	(2,016,482)	-17.55%
Defeasance Loss	444,337	504,980	(60,643)	-12.01%
Total Deferred Outflows of Resources	<u>19,432,044</u>	<u>21,941,475</u>	<u>(2,509,431)</u>	<u>-11.44%</u>
Current Liabilities	16,778,190	2,811,515	13,966,675	496.77%
Long-Term Liabilities	87,098,981	95,209,930	(8,110,949)	-8.52%
Total Liabilities	<u>103,877,171</u>	<u>98,021,445</u>	<u>5,855,726</u>	<u>5.97%</u>
Deferred Inflows of Resources				
Pension and Other Deferred Inflows	836,802	19,027,642	(18,190,840)	-95.60%
Other Postemployment Benefits	24,841,759	20,277,262	4,564,497	22.51%
Total Deferred Inflows of Resources	<u>25,678,561</u>	<u>39,304,904</u>	<u>(13,626,343)</u>	<u>-34.67%</u>
Net Position:				
Net Investment in Capital Assets	23,874,210	29,764,022	(5,889,812)	-19.79%
Restricted for Debt Service	130,483	381,176	(250,693)	-65.77%
Other Legal Restrictions	7,546,670	5,837,761	1,708,909	29.27%
Unrestricted	(43,105,746)	(48,112,773)	5,007,027	10.41%
Total Net Position	<u>\$ (11,554,383)</u>	<u>\$ (12,129,814)</u>	<u>\$ 5,514,047</u>	<u>45.46%</u>

**CATSKILL CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

By far, the largest component of the School District's net position, \$23,874,210 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. Those assets subject to external restrictions total \$7,677,153. The remaining balance is an unrestricted deficit of \$(43,105,746), primarily attributable to the accrual of other post-employment benefit obligations promulgated under the requirements of Governmental Accounting Standards Board Statement No. 75.

In addition, as a requirement of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date*, new items are included in the Statement of Net Position. As of June 30, 2023, the School District reported a net pension asset/liability and deferred inflows and outflows as calculated by the New York State Teachers' and Local Employees Retirement systems. This asset/liability and the net deferrals are not in custody of, nor are they accessible by the School District. Rather these represent the School District's share of the calculated excess/shortfall of the respective retirement systems. Please see Note X of the financial statements for more information on these pension items.

The negative unrestricted net position balance of \$(43,105,746) continues to be the result of recognizing the liability for Other Post - Employment Benefits ("OPEB"), without any legal mechanism to set-aside funds for this liability. For the 2022-2023 fiscal year, this liability decreased by a net amount of \$6,289,168 to a balance of (\$48,200,390).

**CATSKILL CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

DISTRICT-WIDE FINANCIAL ANALYSIS

CATSKILL CENTRAL SCHOOL DISTRICT'S CHANGES IN NET POSITION

	2023	%	2022	%	\$ Change	% Change
Revenues:						
Program Revenues:						
Charges for Services	\$ 85,262	1.90%	\$ 95,044	3.36%	\$ (9,782)	-10.29%
Operating Grants and Contributions	4,412,919	98.10%	2,734,536	96.64%	1,678,383	61.38%
Total Program Revenue	4,498,181	100.00%	2,829,579	100.00%	1,668,602	58.97%
General Revenues:						
Real Property Taxes	19,150,377	42.96%	18,742,456	42.93%	407,921	2.18%
Other Tax Items	4,718,137	10.58%	4,821,519	11.04%	(103,382)	-2.14%
Use of Money and Property	234,513	0.53%	132,995	0.30%	101,518	76.33%
Sales of Property and Compensation for Loss	565,393	1.27%	27,505	0.06%	537,888	1955.60%
Miscellaneous	382,138	0.86%	454,340	1.04%	(72,202)	100.00%
State Sources	19,280,192	43.25%	19,206,508	43.99%	73,684	0.38%
Medicaid Reimbursement	244,725	0.55%	275,903	0.63%	(31,178)	-11.30%
Total General Revenues	44,575,475	100.00%	43,661,226	100.00%	914,249	2.09%
Total Revenues	49,073,656		46,490,805		2,582,851	5.56%
Program Expenses:						
General Support	6,896,599	14.17%	4,243,809	9.78%	2,652,790	62.51%
Instruction	35,945,116	73.85%	23,727,735	54.66%	12,217,381	51.49%
Pupil Transportation	3,290,205	6.76%	2,855,465	6.58%	434,740	15.22%
Employee Benefits	-	0.00%	9,060,147	20.87%	(9,060,147)	-100.00%
Debt Service	1,700,803	3.49%	1,014,945	2.34%	685,858	67.58%
Other Expenses	226,418	0.47%	5,041	0.01%	221,377	4391.53%
School Lunch Program	614,753	1.26%	598,830	1.38%	15,923	2.66%
Amortization	-	0.00%	112,544	0.26%	(112,544)	-100.00%
Depreciation	-	0.00%	1,794,117	4.14%	(1,794,117)	-100.00%
Total Expenses	48,673,894	100.00%	43,412,634	100.02%	\$ 5,261,260	12.12%
Change in Net Position	\$ 399,762		\$ 3,078,171			

**CATSKILL CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Financial Analysis of the Catskill Central School Funds

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

Governmental Funds: The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the School District's financing for spending at the end of the fiscal year.

The major changes from 2022-23 are as follows:

Revenues:

- State Sources increased by \$73,684 due to prior year health insurance premium refunds.

Expenses:

- General Support increased by \$2,652,790 mainly due to a increase in OPEB costs.
- Instructional Program expenses increased by \$12,217,381. This increase is mainly due to an application of employee benefits expenses to programs.

Fund Balance Reporting

The School District classifies its fund balances into the following categories:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law or Education Law of the State of New York.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the School District that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the entity removes or changes the purpose by taking the same action that was used to establish the commitment.

Note: According to the Office of the State Comptroller, school districts in New York State will not have committed fund balance to report.

**CATSKILL CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Assigned fund balance, in the General Fund, represents amounts constrained either by the policies of the entity's highest level of decision-making authority or a person with delegated authority from the governing board to assign amounts for a specific intended purpose. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying non-spendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as non-spendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as non-spendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

Total Governmental Funds

The focus of the School District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds, reported combined fund balances of \$14,514,030, a decrease of \$3,941,815 from the prior year. \$4,024,521 constitutes assigned fund balance, all of which is assigned for purchases on order, projects and assigned for fund purpose. The remainder of fund balance is restricted to indicate that it is not available for new spending because it has already been committed. The restricted fund balance includes restrictions for General Fund employment benefits of \$1,406,677, for retirement contributions of \$2,109,114, for unemployment benefits of \$321,646, for liability & casualty of \$149,939, for repairs of \$250,100, for tax certiorari of \$381,623, for workers compensation of \$769,401, for Capital Projects of \$2,015,813, Debt Service Fund of \$130,483 and Capital Projects fund of \$142,357.

The summary of the combined fund balances are as follows:

Nonspendable	\$	26,851
Restricted	\$	7,677,153
Assigned	\$	4,024,521
Unassigned	\$	2,785,505

The General Fund is the primary operating fund of the School District. At the end of the current fiscal year, the total fund balance of the General Fund was \$16,699,718 of which \$5,549,248 or 11% of the ensuing year's budget was unassigned. As previously mentioned, New York State Law limits the amount of unreserved fund balance that can be retained to 4% of the ensuing year's budget, exclusive of the amount designated for the subsequent year's budget.

The fund balance of the School District's General Fund increased by \$826,305 during the current fiscal year.

**CATSKILL CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

General Fund Budgetary Highlights

During the year, the School District revised the General Fund budget. Generally, budget amendments fall into one of three categories: (1) amendments made to adjust the estimates that are used to prepare the original budget once exact information is available; (2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and (3) increases in appropriations that become necessary to maintain services.

Capital Asset and Debt Administration

Capital Assets: At June 30, 2022, the School District had \$70,614,791 net of accumulated depreciation invested in a broad range of capital assets, including land, buildings and improvements, furniture and equipment, right-to-use assets and construction-in-progress. The change in capital assets, net of accumulated depreciation and amortization, is described in Note VI.

The increase in capital assets during the current fiscal year is a result of increased costs due to ongoing capital projects.

Debt: As of June 30, 2023, the School District had \$43,223,039 in general obligation and other long-term debt outstanding.

More detailed information about the School District's capital assets and long-term debt is presented in the notes to the financial statements.

Pension

At June 30, 2023, the School District reported a liability of \$2,433,452 for its proportionate share of the ERS net pension liability. This asset was measured at March 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2022. The TRS net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. At June 30, 2023 the School District reported a liability of \$1,551,714 for its proportionate share of the net pension liability of TRS.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Catskill Central School District
Attn: Lissa Jilek
School Business Official
Business Office
347 West Main Street
Catskill, NY 12414

CATSKILL CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	Primary Government Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 14,500,136
Restricted Cash	7,677,153
Accounts Receivable	126,293
State and Federal Aid Receivable	4,559,179
Due from Other Governments	620,565
Inventories	26,851
	<u>27,510,177</u>
Capital Assets, not being depreciated	34,014,726
Capital Assets, being depreciated - net	35,920,431
Total Capital Assets, net (Note VI)	<u>69,935,157</u>
Right-to-Use Lease Asset, Net (Note VI)	<u>679,634</u>
Total Assets	<u>98,124,968</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension (Note IX)	9,960,848
Other Postemployment Benefits (Note X)	9,471,196
Bond Refunding	444,337
Total Deferred Outflows of Resources	<u>19,876,381</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>118,001,349</u>
LIABILITIES	
Accounts Payable	787,125
Accrued Liabilities	223,042
Accrued Interest Payable	133,240
Unearned Revenue	619,200
Due to Other Governments	452
Due to Retirement Systems	1,781,328
Bond Anticipation Notes (Note VII)	9,585,000
Non-Current Liabilities:	
Due and Payable Within One Year:	
Bonds Payable (Note VIII)	3,635,764
Lease Payable	13,039
Due and Payable More Than One Year:	
Bonds Payable (Note VIII)	33,506,778
Compensated Absences (Note VIII)	1,406,647
Net Pension Liability-Proportionate Share (Note X)	3,985,166
Other Postemployment Benefits (Note X)	48,200,390
Total Liabilities	<u>103,877,171</u>
DEFERRED INFLOWS OF RESOURCES	
Pension (Note IX)	836,802
Other Postemployment Benefits (Note X)	24,841,759
Total Deferred Inflows of Resources	<u>25,678,561</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>129,555,732</u>
NET POSITION	
Net Investment in Capital Assets	23,874,210
Restricted	7,677,153
Unrestricted	(43,105,746)
Total Net Position	<u>\$ (11,554,383)</u>

See accompanying notes to basic financial statements.

CATSKILL CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

		Program Revenues			Net (Expense)
		Charges for	Operating	Capital	Revenue and
	Expenses				Changes in Net
		Services	Grants and	Grants and	Position
			Contributions	Contributions	Governmental
					Activities
<u>FUNCTIONS/PROGRAMS</u>					
Primary Government:					
Governmental Activities:					
General Support	\$ (6,896,599)	\$ -	\$ -	\$ -	\$ (6,896,599)
Instruction	(35,945,116)	13	3,910,221	-	(32,034,882)
Pupil Transportation	(3,290,205)	-	-	-	(3,290,205)
Other Expenses	(226,418)	-	-	-	(226,418)
School Lunch Program	(614,753)	85,249	502,698	-	(26,806)
Interest on Debt	(1,700,803)	-	-	-	(1,700,803)
Total Primary Government	<u>\$ (48,673,894)</u>	<u>\$ 85,262</u>	<u>\$ 4,412,919</u>	<u>\$ -</u>	<u>(44,175,713)</u>
General Revenues:					
Real Property Taxes					19,150,377
Other Tax Items					4,718,137
Use of Money and Property					234,513
Sale of Property and Compensation for Loss					565,393
Miscellaneous					382,138
State Sources					19,280,192
Federal Sources					244,725
Total General Revenues					<u>44,575,475</u>
Change in Net Position					<u>399,762</u>
Net Position - Beginning					(12,129,817)
Prior Period Adjustment (Note XIII)					175,672
Net Position - Beginning, as restated					(11,954,145)
Net Position - Ending					<u>\$ (11,554,383)</u>

See accompanying notes to basic financial statements.

**CATSKILL CENTRAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	General Fund	Special Aid Fund	Capital Projects Fund	Non-Major Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 3,526,824	\$ 89,461	\$ 10,740,177	\$ 143,674	\$ 14,500,136
Restricted Cash	7,404,313	-	142,357	130,483	7,677,153
Due from Other Funds	7,938,099	2,091,524	1,879	674,749	10,706,251
State and Federal Aid Receivable	2,160,692	2,361,997	-	36,490	4,559,179
Due from Other Governments	620,565	-	-	-	620,565
Accounts Receivable	124,358	-	-	1,935	126,293
Inventories	-	-	-	26,851	26,851
Total Assets	<u>\$21,774,851</u>	<u>\$ 4,542,982</u>	<u>\$ 10,884,413</u>	<u>\$ 1,014,182</u>	<u>38,216,428</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 410,538	41,537	\$ 333,402	\$ 1,648	787,125
Accrued Liabilities	223,042	-	-	-	223,042
Unearned Revenues	-	616,096	-	3,104	619,200
Due to Other Funds	2,673,026	3,885,349	3,401,067	746,809	10,706,251
Due to Other Governments	-	-	-	452	452
Bond Anticipation Notes Payable	-	-	9,585,000	-	9,585,000
Due to Teachers' Retirement System	1,653,318	-	-	-	1,653,318
Due to Employees' Retirement System	115,209	-	-	12,801	128,010
Total Liabilities	<u>5,075,133</u>	<u>4,542,982</u>	<u>13,319,469</u>	<u>764,814</u>	<u>23,702,398</u>
Fund Balances:					
Nonspendable	-	-	-	26,851	26,851
Restricted	7,404,313	-	142,357	130,483	7,677,153
Assigned	3,746,157	-	70,846	207,518	4,024,521
Unassigned	5,549,248	-	(2,648,259)	(115,484)	2,785,505
Total Fund Balances	<u>16,699,718</u>	<u>-</u>	<u>(2,435,056)</u>	<u>249,368</u>	<u>14,514,030</u>
Total Liabilities and Fund Balances	<u>\$21,774,851</u>	<u>\$ 4,542,982</u>	<u>\$ 10,884,413</u>	<u>\$ 1,014,182</u>	<u>\$ 38,216,428</u>

See accompanying notes to basic financial statements.

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

	Total Governmental Funds	Long-Term Assets and Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
ASSETS				
Cash and Cash Equivalents	\$ 14,500,136	\$ -	\$ -	\$ 14,500,136
Restricted Cash	7,677,153	-	-	7,677,153
Due from Other Funds	10,706,251	-	(10,706,251)	-
State and Federal Aid Receivable	4,559,179	-	-	4,559,179
Due from Other Governments	620,565	-	-	620,565
Accounts Receivable	126,293	-	-	126,293
Inventories	26,851	-	-	26,851
Capital Assets, Net	-	69,935,157	-	69,935,157
Right to Use Lease, Net	-	679,634	-	679,634
Total Assets	38,216,428	70,614,791	(10,706,251)	98,124,968
Deferred Outflows of Resources - Pension ERS	-	1,661,379	-	1,661,379
Deferred Outflows of Resources - Pension TRS	-	8,299,469	-	8,299,469
Deferred Outflows of Resources - OPEB	-	9,471,196	-	9,471,196
Deferred Outflows of Resources - Bond Refunding	-	444,337	-	444,337
Total Assets and Deferred Outflows	\$ 38,216,428	\$ 90,491,172	\$ (10,706,251)	\$ 118,001,349
LIABILITIES				
Accounts Payable	\$ 787,125	\$ -	\$ -	\$ 787,125
Accrued Liabilities	223,042	-	-	223,042
Unearned Revenues	619,200	-	-	619,200
Due to Other Funds	10,706,251	-	(10,706,251)	-
Due to Other Governments	452	-	-	452
Accrued Interest Payable	-	133,240	-	133,240
Bonds Payable	-	37,142,542	-	37,142,542
Leases Payable	-	13,039	-	13,039
Bond Anticipation Notes Payable	9,585,000	-	-	9,585,000
Due to Teachers' Retirement System	1,653,318	-	-	1,653,318
Due to Employees' Retirement System	128,010	-	-	128,010
Compensated Absences Payable	-	1,406,647	-	1,406,647
TRS Net Pension Liability-Proportionate Share	-	1,551,714	-	1,551,714
ERS Net Pension Liability-Proportionate Share	-	2,433,452	-	2,433,452
Other Postemployment Benefits Payable	-	48,200,390	-	48,200,390
Total Liabilities	23,702,398	90,881,024	(10,706,251)	103,877,171
Deferred Inflows of Resources - Pension ERS	-	152,966	-	152,966
Deferred Inflows of Resources - Pension TRS	-	683,836	-	683,836
Deferred Inflows of Resources - OPEB	-	24,841,759	-	24,841,759
Total Liabilities and Deferred Inflows	23,702,398	116,559,585	(10,706,251)	129,555,732
Total Fund Balances/Net Position	14,514,030	(26,068,413)	-	(11,554,383)
Total Liabilities, Deferred Inflows and Fund Balances/Net Position	\$ 38,216,428	\$ 90,491,172	\$ (10,706,251)	\$ 118,001,349

See accompanying notes to basic financial statements.

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

	General Fund	Special Aid Fund	Capital Projects Fund	Non-Major Funds	Total Governmental Funds
Revenues:					
Real Property Taxes	\$ 19,150,377	\$ -	\$ -	\$ -	\$ 19,150,377
Other Tax Items	4,718,137	-	-	-	4,718,137
Charges for Services	13	-	-	-	13
Use of Money and Property	232,019	-	-	2,494	234,513
Sale of Property and Compensation for Loss	572,566	-	-	27,734	600,300
Miscellaneous	381,532	-	-	606	382,138
State Aid	19,280,192	491,835	-	10,863	19,782,890
Federal Aid	244,725	3,312,473	-	530,565	4,087,763
Surplus Food	-	-	-	39,449	39,449
Food Sales	-	-	-	85,249	85,249
Total Revenues	44,579,561	3,804,308	-	696,960	49,080,829
Expenditures:					
General Support	5,353,216	-	-	-	5,353,216
Instruction	21,681,992	3,753,618	-	-	25,435,610
Pupil Transportation	3,037,470	135,633	-	-	3,173,103
Employee Benefits	8,588,552	-	-	99,923	8,688,475
Debt Service - Principal	2,995,000	-	-	-	2,995,000
Debt Service - Interest	2,176,603	-	-	-	2,176,603
Cost of Sales	-	-	-	600,109	600,109
Other Expenditures	-	-	-	226,418	226,418
Capital Outlay	-	-	4,982,628	-	4,982,628
Total Expenditures	43,832,833	3,889,251	4,982,628	926,450	53,631,162
Excess/(Deficiency) of Revenues Over Expenditures	746,728	(84,943)	(4,982,628)	(229,490)	(4,550,333)
Other Financing Sources/(Uses):					
Proceeds from Debt	-	-	320,000	7,100,000	7,420,000
Payment to Refunded Bond Escrow Agent	-	-	-	(7,638,270)	(7,638,270)
Bond Premium	-	-	-	826,788	826,788
Operating Transfers In	250,000	84,943	80,000	5,480	420,423
Operating Transfers Out	(170,423)	-	-	(250,000)	(420,423)
Total Other Financing Sources/(Uses)	79,577	84,943	400,000	43,998	608,518
Change in Fund Balances	826,305	-	(4,582,628)	(185,492)	(3,941,815)
Fund Balances - Beginning	15,697,741	-	2,147,572	434,860	18,280,173
Prior Period Adjustment (Note XIII)	175,672	-	-	-	175,672
Fund Balances - Beginning, as restated	15,873,413	-	2,147,572	434,860	18,455,845
Fund Balances - Ending	\$ 16,699,718	\$ -	\$ (2,435,056)	\$ 249,368	\$ 14,514,030

See accompanying notes to basic financial statements.

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

	Total Governmental Funds	Long-Term Revenue, Expenses	Capital Asset Transactions	Long-Term Debt Transactions	Reclassifications and Eliminations	Statement of Activities Totals
Revenues:						
Real Property Taxes	\$ 19,150,377	\$ -	\$ -	\$ -	\$ -	\$ 19,150,377
Other Tax Items	4,718,137	-	-	-	-	4,718,137
Charges for Services	13	-	-	-	-	13
Use of Money and Property	234,513	-	-	-	-	234,513
Sale of Property and Compensation for Loss	600,300	-	-	-	-	600,300
Loss on Disposals of Assets	-	-	(7,173)	-	-	(7,173)
Miscellaneous	382,138	-	-	-	-	382,138
State Aid	19,782,890	-	-	-	-	19,782,890
Federal Aid	4,087,763	-	-	-	-	4,087,763
Surplus Food	39,449	-	-	-	-	39,449
Food Sales	85,249	-	-	-	-	85,249
Total Revenues	49,080,829	-	(7,173)	-	-	49,073,656
Expenditures:						
General Support	5,353,216	-	9,368	-	1,534,015	6,896,599
Instruction	25,435,610	-	1,391,410	(13,706)	9,131,802	35,945,116
Pupil Transportation	3,173,103	-	-	-	117,102	3,290,205
Employee Benefits	8,688,475	2,108,022	-	-	(10,796,497)	-
Debt Service - Principal	2,995,000	-	-	(2,995,000)	-	-
Debt Service - Interest	2,176,603	-	-	(475,800)	-	1,700,803
Cost of Sales	600,109	-	1,066	-	13,578	614,753
Other Expenditures	226,418	-	-	-	-	226,418
Capital Outlay	4,982,628	-	(4,982,628)	-	-	-
Total Expenditures	53,631,162	2,108,022	(3,580,784)	(3,484,506)	-	48,673,894
Excess/(Deficiency) of Revenues Over Expenditures	(4,550,333)	(2,108,022)	3,573,611	3,484,506	-	399,762
Other Financing Sources/(Uses)						
Proceeds from Debt	7,420,000	-	-	(7,420,000)	-	-
Payment to Refunded Bond Escrow Agent	(7,638,270)	-	-	7,638,270	-	-
Bond Premium	826,788	-	-	(826,788)	-	-
Operating Transfers In	420,423	-	-	-	(420,423)	-
Operating Transfers Out	(420,423)	-	-	-	420,423	-
Total Other Financing Sources/(Uses)	608,518	-	-	(608,518)	-	-
Change in Fund Balances	\$ (3,941,815)	\$ (2,108,022)	\$ 3,573,611	\$ 2,875,988	\$ -	\$ 399,762

See accompanying notes to basic financial statements.

**CATSKILL CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023**

	Custodial Fund	Private Purpose Trusts
ASSETS		
Cash and Cash Equivalents	\$ 63,748	\$ 683,664
Total Assets	63,748	683,664
LIABILITIES		
Other Liabilities	248	-
Total Liabilities	248	-
NET POSITION		
Reserved for Scholarships/Extra Classroom	63,500	683,664
Total Net Position	63,500	683,664
Total Liabilities and Net Position	\$ 63,748	\$ 683,664

See accompanying notes to basic financial statements.

CATSKILL CENTRAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	Custodial Fund	Private Purpose Trusts
ADDITIONS		
Contributions	\$ 157,675	\$ 14,245
Interest	10	704
Total Additions	157,685	14,949
DEDUCTIONS		
Other Custodial Activity	145,637	-
Scholarships and Awards	-	39,190
Total Deductions	145,637	39,190
Change in Fiduciary Net Position	12,048	(24,241)
Net Position - Beginning of Year	51,452	707,905
Net Position - End of Year	\$ 63,500	\$ 683,664

See accompanying notes to basic financial statements.

**CATSKILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Catskill Central School District (the “School District”), as presently constituted, was established in 1934 and operates in accordance with the provisions of the Education Law of the State of New York. The Board of Education is the legislative body responsible for overall operation of the School District and is elected by the voters of the School District. The President of the Board serves as the chief fiscal officer and the Superintendent serves as the chief executive officer. The School District's primary function is to provide education for its pupils. Services such as transportation of pupils, administration, finance, and plant maintenance support the primary function.

The accounting policies of the School District conform to generally accepted accounting principles for local governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the School District's more significant accounting policies:

A. Financial Reporting Entity

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

The accompanying financial statements present the activities of the School District. The School District is not a component unit of another reporting entity. The decision to include a potential component unit in the School District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, no other entities are included in the School District's reporting entity.

**CATSKILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

B. Joint Venture

The Catskill Central School District is one of the component school districts in Rensselaer-Columbia-Greene Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services, and programs which provide educational and support activities.

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

There is no authority or process by which a school district can terminate its status as a BOCES component. In addition, component school districts pay tuition or a service fee for programs in which their students participate. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of Section 1950 of the Education Law.

During the year ended June 30, 2023, the Catskill Central School District was billed \$4,577,898 for BOCES administrative and program costs. The School District's share of BOCES Aid amounted to \$1,358,653. Financial statements for the BOCES are available from the BOCES administrative office.

C. District-wide Financial Statements

The district-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the School District as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

The Statement of Net Position presents the financial position of the School District at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (2) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues.

D. Fund Financial Statements

The accounts of the School District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The School District maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the district-wide statements' governmental activities column, reconciliations are presented on the pages following, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the district-wide presentation.

**CATSKILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

D. Fund Financial Statements - Continued

Fund Categories

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

The School District reports the following major governmental funds:

- a. General Fund - The General Fund constitutes the primary fund of the School District and is used to account for and report all financial resources not accounted for and reported in another fund.
- b. Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.
- c. Special Aid Fund - The Special Aid Fund is used to account for special projects or programs supported in whole or in part with federal, State or local funds.

The School District reports the following non-major governmental funds:

- a. School Lunch Fund - The School Lunch Fund is used to record the operations of the breakfast and lunch programs of the School District.
- b. Debt Service Fund - The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years.
- c. Miscellaneous Special Revenue Fund – The Miscellaneous Special Revenue Fund is used to account for and report those revenues that are restricted or committed to expenditures for specified purposes.

The School District reports the following fiduciary funds:

These funds are used to account for fiduciary activities. Fiduciary activities are those in which the School District acts as trustee or agent for resources that belong to others. These activities are not included in the district-wide financial statements, because their resources do not belong to the School District, and are not available to be used.

- a. Private Purpose Trust Funds - These funds are used to account for trust arrangements in which principal and income benefits annual third-party awards and scholarships for students. Established criteria govern the use of the funds and members of the School District or representatives of the donors may serve on committees to determine who benefits.
- b. Custodial Funds - These funds are strictly custodial in nature and are not required to be reported in pension and other employee benefit trust funds, investment trust funds or private purpose trust funds.

Extraclassroom Activity Funds

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

**CATSKILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

E. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

The district-wide 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 when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from federal and State grants are recognized as revenues when the expenditure is made. A sixty day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to judgments and claims, compensated absences, net pension liability and other post employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Cash and Cash Equivalents - The School District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the School District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Collateral is required for demand and time deposits and certificates of deposits 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.

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates.

Generally, the School District does not invest in any long-term investment obligations.

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40, *Deposit and Investment Risk Disclosures - an amendment of GASB Statement No. 3*, directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name. The School District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2023.

**CATSKILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances - Continued

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The School District does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The School District's investment policy limits the amount on deposit at each of its banking institutions.

Property Taxes - Real property taxes are levied annually by the Board of Education no later than September 1 and become a lien on July 30. Taxes are collected during the period September 1 to November 2.

Uncollected real property taxes are subsequently enforced by the County of Greene. An amount representing uncollected real property taxes is transmitted to the County for enforcement and is paid by the County to the School District no later than the forthcoming April 1.

In June of 2011, New York State passed Chapter 97 of the Laws of 2011 ("Tax Cap Law"). This law applies to all local governments in New York State. The Tax Cap Law restricts the amount of real property taxes that may be levied by the School District in a particular year, beginning with the 2012 fiscal year.

The growth in annual levy is limited to the lesser of two percent or annual change in the national unadjusted Consumer Price Index for All Urban Consumers – All Items ("CPI-U"), subject to certain limited exceptions and adjustments.

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

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the School District. Receivables are recorded and revenues recognized as earned or as specific program expenditures are incurred. Allowances are recorded when appropriate.

Due From/To Other Funds - During the course of its operations, the School District has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2023, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Inventories - Inventories in the School Lunch Fund consist of surplus food at a stated value which approximates market. The cost is recorded as inventory at the time individual inventory items are purchased. The School District uses the consumption method to relieve inventory. In the fund financial statements, reported amounts are equally offset by non-spendable fund balance, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method in both the district-wide and fund financial statements. Prepaid expenses/expenditures consist of costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and/or will benefit such periods. Reported amounts in governmental funds are equally offset by non-spendable fund balance in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

**CATSKILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances - Continued

Other Assets/Restricted Assets - Certain proceeds from serial bonds and bond anticipation notes, as well as resources set aside for their repayment are classified as restricted assets in the district-wide financial statements and their use is limited by applicable bond covenants.

In the district-wide financial statements, bond issuance costs are capitalized and amortized over the life of the debt issue. In the fund statements these same costs are netted against bond proceeds and recognized in the period of issuance.

Capital Assets - Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives is not capitalized.

Land and construction-in-progress are not depreciated. Property, plant and equipment of the School District are depreciated using the straight-line method over estimated useful lives ranging from 5 to 40 years.

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheets.

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied. In the district-wide financial statements, unearned revenues consist of revenue received in advance and/or revenue from grants received before the eligibility requirements have been met.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Such amounts have been deemed to be measurable but not “available” pursuant to generally accepted accounting principles.

Deferred Outflows/Inflows of Resources - In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and, therefore, will not be recognized as an outflow of resources (expense/expenditure) until then.

The government has two items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the School District’s proportion of the collective net pension asset or liability and differences during the measurement period between the School District’s contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second item relates to Other Postemployment Benefits and represents the effect of changes in actuarial assumptions.

**CATSKILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances - Continued

Deferred Outflows/Inflows of Resources (continued) - 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 represents an acquisition of net position that applies to a future period(s) and, therefore, will not be recognized as an inflow of resources (revenue) until that time. The School District has two items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the School District's proportion of the collective net pension liability or asset (TRS and ERS Systems) and differences during the measurement periods between the School District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs and differences between actual and expected experience.

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

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

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

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

Long-term obligations represent the School 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.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation leave upon separation from service. The liability for such accumulated leave is reflected in the district-wide Statement of Net Position as a long-term liability. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Net Pension Liability (Asset) - The net pension liability (asset) represents the School District's proportionate share of the net pension liability (asset) of the New York State and Local Employees' Retirement System and the New York State Teachers' Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

**CATSKILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances - Continued

Net Position - Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Fund Balance - Generally, fund balance represents the difference between current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Equity Classifications:

1. District-Wide Statements:

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

- a. Net Investment in Capital Assets – consists of net capital assets (cost less accumulated depreciation) and net right-to-use assets (cost less accumulated amortization) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets.
- b. Restricted Net Position – reports net position when constraints placed on the position 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.
- c. Unrestricted Net Position – reports all other net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the School District.

2. Fund Statements:

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

- a. Non-Spendable Fund Balance – includes amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact.
- b. Restricted – includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The School District has established the following restricted reserve fund balances:
 - i. Unemployment Insurance - According to General Municipal Law §6-m, this reserve fund must be used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve, or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the School District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund.

**CATSKILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances – Continued

2. Fund Statements - Continued:

b. Restricted - Continued

- iii. Employee Benefit Accrued Liability - According to General Municipal Law §6-p, must be used for the payment of accrued employee benefits due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.
- iv. Tax Certiorari - According to Education Law §3651.1-a, this reserve fund must be used to establish a reserve fund for tax certiorari settlements and can expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount that might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth fiscal year after deposit of these monies.
- v. Retirement Contributions - According to General Municipal Law §6-r, all expenditures made from the retirement contributions reserve fund must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This Reserve is established by Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operations and condition of the fund must be provided to the Board. This reserve is accounted for in the General Fund. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r.
- vi. Capital Projects - According to Education Law §3651, restricted fund balances must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve, the ultimate amount, its probable term and the source of the funds. Expenditure may be made from the reserve only for a specific purpose further authorized by the voters.
- vii. Repairs - According to General Municipal Law §6-d, this reserve must be used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education without voter approval may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years.

**CATSKILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances – Continued

2. Fund Statements - Continued:

b. Restricted - Continued

- viii. Insurance - According to General Municipal Law §6-n, the Insurance Reserve must be used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve; however, the annual contribution to this reserve may not exceed the greater of \$33,000 or 5% of the budget. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval.
- ix. Liability Claims and Property Loss - According to Education Law §J 709(8) (c), this reserve fund must be used to pay for liability claims and property loss incurred. Separate funds for liability claims and property loss are required and these reserves may not in total exceed 3o/o of the annual budget or \$15,000, whichever is greater. This type of reserve fund may be utilized only by school districts, except city school districts with a population greater than 125,000.

Restricted fund balance includes the following:

General Fund:

Workers Compensation	\$ 769,401
Tax Certiorari	381,623
Liability & Casualty	149,939
Employee Benefits	1,406,677
Retirement Contributions	1,200,001
Unemployment Insurance	321,646
Repair	250,100
Capital Projects	2,015,813
TRS Retirement Contributions	909,113
Capital Reserve	142,357
Debt Service Fund	130,483
	<u>\$ 7,677,153</u>

- c. Committed – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the School District’s highest level of decision-making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2023.
- d. Assigned – Includes amounts that are constrained by the School 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 in the General Fund. Encumbrances reported in the General Fund amounted to \$169,735. Assigned to the reduction of the 2023-2024 tax levy is \$3,580,371.
- e. Unassigned – Includes all other General Fund net assets that do not meet the definition of the above four classifications and are deemed to be available for general use by the School District. In funds other than the General Fund, this classification should only be used to report a deficit balance.

**CATSKILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances – Continued

2. Fund Statements - Continued:

e. Unassigned - Continued

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.

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 assigned fund balance. In the General Fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

In order to determine the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the School District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the School District's policy to use fund balance in the following order: committed, assigned, and unassigned.

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

H. Subsequent Events

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is November 1, 2023.

**CATSKILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

I. Tax Abatements

The School District enters into real property tax abatement agreements with local businesses under Title I of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the “Act”). Under the Act, localities may grant property tax abatements for a business’ property tax bill for the purpose of attracting or retaining business within their jurisdiction. The abatements may be granted to any business located within or promising to relocate within the School District’s property limits.

For the fiscal year ended June 30, 2023, the School District abated property taxes totaling \$673,467 under this program. The School District participates in four tax abatements through the County of Greene Industrial Development Agency. The PILOTs received by the School District amounted to \$3,501,159.

<u>Agency</u>	<u>Company</u>	<u>PILOT Payment</u>	<u>Taxes Abated</u>
County of Greene IDA	Athens Generating Company, LP	\$ 3,455,976	\$ 600,731
County of Greene IDA	Bogart Solar, LLC	10,778	13,774
County of Greene IDA	Village of Catskill Housing Authority	13,415	42,835
County of Greene IDA	Camptown, LLC	20,960	16,127
		<u>\$ 3,501,129</u>	<u>\$ 673,467</u>

II. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the difference in the measurement focus and basis of accounting used in the governmental fund statements and the government-wide statements, certain financial transactions are treated differently. The differences result primarily from the economic focus of the government-wide statements, compared with the current financial resources focus of the government funds.

A. Total Fund Balances of the Governmental Funds vs. Net Position of Governmental Activities:

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

The basic financial statements contain a detailed reconciliation of the items creating the differences between fund balance reported in the Governmental Fund Statements and Net Position reported on the Statement of Net Position.

CATSKILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

**II. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS
AND DISTRICT-WIDE STATEMENTS – CONTINUED**

**A. Total Fund Balances of the Governmental Funds vs. Net Position of Governmental Activities -
Continued**

- (1) The costs of building and acquiring capital assets (land, infrastructure, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the School District as a whole, with their original costs capitalized and depreciation expensed annually over their useful lives.

Original Cost of Capital Assets	\$ 105,999,485
Accumulated Depreciation	<u>(36,064,328)</u>
Capital Assets, Net	<u>\$ 69,935,157</u>

- (2) The governmental funds do not include long-term liabilities because they are not due and payable in the current period. However, the liabilities are reported in the Statement of Net Position because they represent economic liabilities. Balances at year end were:

Right-to-Use Lease Asset, Net	<u>\$ 679,634</u>
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- (3) The governmental funds do not include long-term liabilities because they are not due and payable in the current period. However, the liabilities are reported in the Statement of Net Position because they represent economic liabilities. Balances at year end were:

Bonds Payable	\$ (33,625,000)
Bond Premium	(3,517,542)
Compensated Absences	(1,406,647)
TRS Net Pension Liability	(1,551,714)
ERS Net Pension Liability	(2,433,452)
Other Postemployment Benefits	<u>(48,200,390)</u>
	<u>\$ (90,734,745)</u>

- (4) Deferred outflows and inflows of resources are reported in the Statement of Net Position, but not in the governmental funds, because they are not due and payable in the current period. Balances at year end were:

Deferred Outflows of Resources	<u>\$ 19,876,381</u>
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Deferred Inflows of Resources	<u>\$ (25,678,561)</u>
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- (5) Accrued interest payable is recognized in the entity wide statements under full accrual accounting. No accrual is recognized in the governmental fund statements for interest that was not paid from current financial resources.

Accrued Interest Payable at June 30, 2023	<u>\$ (133,240)</u>
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**CATSKILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

**II. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS
AND DISTRICT-WIDE STATEMENTS – CONTINUED**

**B. Explanation of Differences between Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balance and the Statement of Activities**

Differences between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories:

- Long-term revenue differences arise because governmental funds report revenues only when they are considered “available,” whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds use a current financial resource measurement focus, whereas the Statement of Activities uses an economic resource measurement focus.
- Capital asset transaction differences include the difference between recording an expenditure for the purchase of capital assets in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.
- Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements when paid, whereas interest payments are recorded in the Statement of Activities as incurred and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

The basic financial statements contain a detailed reconciliation of the items creating the differences between the change in fund balance reported in the governmental fund statements and the change in net position reported in the Statement of Activities.

Total Revenues and Other Funding Sources

Total revenues reported in governmental funds	\$ 49,080,829
Loss on disposal of assets	(7,173)
Total revenues reported in the Statement of Activities	<u>\$ 49,073,656</u>

**CATSKILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

**II. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS
AND DISTRICT-WIDE STATEMENTS – CONTINUED**

**B. Explanation of Differences between Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balance and the Statement of Activities - Continued**

Total Expenditures/Expenses

Total expenditures reported in governmental funds	\$ 53,631,162
In the Statement of Activities, certain operating expenses (compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid.) This is the amount by which the liability for compensated absences increased during the year.	723,710
In the Statement of Activities, the expenses for other postemployment benefits are measured based on the change in the actuarially determined OPEB liability and related deferred inflows/outflows of resources of the School District. In the governmental funds, however, these expenditures are measured by the amount of financial resources used (essentially the amounts paid). This is the amount by which OPEB expense exceeded the amount of financial resources used during the year.	291,811
In the Statement of Activities, pension expense related to ERS and TRS defined benefit plans is measured as the change in the School District's proportionate shares of the net pension assets, liabilities, deferred inflows, and deferred outflows as of the measurement dates for each plan. In the governmental funds however, these expenditures are recognized equal to the total of (1) amounts paid by the employer to the pension plan and (2) the change between beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources. This is the amount by which pension expense exceeded the amount of financial resources expended during the year.	1,092,501
Interest payable is recognized in the government-wide statements under full accrual accounting whereas it is recognized when paid in the governmental fund statements. This is the amount by which interest payable for the current year was less than the interest payable for the prior year.	(54,777)
The District amortizes both bond premiums and defeasance losses against interest expense. The is the amount by amortized defeasance losses was less than amortized bond premium.	(421,023)
When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the year they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense of \$1,775,321 was less than capital expenditures of \$5,133,629 in the current year.	(3,358,308)
Lease payments to enter into agreement for the use of space and equipment are reported in the governmental funds as expenditures. However, for governmental activities, those costs are capitalized and allocated over their estimated useful lives as amortization expense in Statement of Activities. This is the amount by which amortization expense was less than the lease payments.	(222,476)
Repayment of debt is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position, and does not affect the Statement of Activities.	(3,008,706)
Total expenses reported in the Statement of Activities	<u>\$ 48,673,894</u>

**CATSKILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Data

The School District generally follows the procedures enumerated below in establishing the budgetary data reflected in the fund financial statements:

- a) At least seven days prior to the budget hearing, a copy of the budget is made available to the voters.
- b) At the budget hearing, the voters may raise questions concerning the items contained in the budget.
- c) The Board of Education establishes a date for the annual meeting, which by law will be held on the third Tuesday in May.
- d) The voters are permitted to vote upon the General Fund budget at the annual meeting.
- e) If the original proposed budget is not approved by the voters, the Board of Education has the option of either resubmitting the original or revising the budget for voter approval at a special meeting held at a later date; or the Board of Education may, at that point, adopt a contingency budget. If the Board of Education decides to submit either the original or a revised budget to the voters for a second time, and the voters do not approve the second budget submittal, the Board of Education must adopt a contingency budget and the tax levy cannot exceed the total tax levy of the prior year (0% levy growth). In addition, the administrative component of the contingency budget shall not comprise a greater percentage of the contingency budget exclusive of the capital component than the lesser of either 1) the percentage the administrative component had comprised in the prior year budget exclusive of the capital component; or 2) the percentage the administrative component had comprised in the last proposed defeated budget exclusive of the capital component.
- f) Formal budgetary integration is employed during the year as a management control device for General and Special Aid funds.
- g) Budgets for General Fund are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. The Board of Education does not adopt an annual budget for the School Lunch or Debt Service funds.
- h) The Board of Education has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Education. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- i) Appropriations in General and Special Aid funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year, pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Final Budgeted amounts are as originally adopted, or as amended by the Board of Education.

B. Limitation on Fund Balance

The School District is limited to the amount of committed, assigned and unassigned fund balance, with certain exceptions, that can be retained. New York State law limits this amount of fund balance to 4% of the ensuing year's budget.

C. Capital Projects Fund Deficits

Deficits in individual capital projects sometimes arise either because of expenditures exceeding current financing on the projects or from capital projects exceeding their budgetary authorization. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

CATSKILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

IV. CASH AND CASH EQUIVALENTS

At June 30, 2023, the carrying amount of the District's deposits (cash, certificates of deposit and interest-bearing savings accounts) was \$22,922,016 and the bank balance was \$24,688,433. The School District's deposits at June 30, 2023, and during the year then ended, were covered by FDIC Insurance or by pledged collateral held by the School District's agent bank in the School District's name.

V. INTERFUND ACTIVITY

The interfund receivables and payables at June 30, 2023 were as follows:

<u>Funds</u>	Interfund <u>Receivables</u>	Interfund <u>Payables</u>
General	\$ 7,938,099	\$ 2,673,026
Capital Projects	1,879	3,401,067
Special Aid	2,091,524	3,885,349
Debt Service	142,357	-
Miscellaneous Special Revenue	4,198	2,148
School Lunch	528,194	744,661
TOTAL	\$ 10,706,251	\$ 10,706,251

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

Interfund transfers for the year ended June 30, 2023 were as follows:

<u>Funds</u>	Transfers <u>In</u>	Transfers <u>Out</u>
General	\$ 250,000	\$ 170,423
Capital Projects	80,000	-
Special Aid	84,943	-
Debt Service	-	250,000
School Lunch	5,480	-
TOTAL	\$ 420,423	\$ 420,423

The School District typically transfers from the General Fund to the Special Aid Fund to pay its' share of the Summer Handicapped Program. The General Fund transferred to the Capital Projects Fund to cover expenditures until financing is completed and to the School Lunch Fund based on the approved budget and to Special Aid for federal and state grant activity. The Debt Service Fund transferred to the General Fund to paid down debt.

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

**CATSKILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

VI. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Reclassification	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 219,670	\$ -	\$ -	\$ -	\$ 219,670
Construction in Progress	28,812,428	4,982,628	-	-	33,795,056
Total capital assets, not being depreciated	29,032,098	4,982,628	-	-	34,014,726
Capital assets, being depreciated:					
Buildings/Land Improvement	1,903,295	-	-	-	1,903,295
Buildings	65,093,051	-	-	-	65,093,051
Furniture and Equipment	4,867,131	151,001	(29,719)	-	4,988,413
Total capital assets being depreciated	71,863,477	151,001	(29,719)	-	71,984,759
Accumulated depreciation for:					
Buildings and Improvements	(1,361,641)	(84,545)	-	-	(1,446,186)
Buildings	(28,584,367)	(1,596,551)	-	-	(30,180,918)
Furniture and Equipment	(4,365,545)	(94,225)	22,546	-	(4,437,224)
Total accumulated depreciation	(34,311,553)	(1,775,321)	22,546	-	(36,064,328)
Total capital assets, being depreciated, net	37,551,924	(1,624,320)	(7,173)	-	35,920,431
Governmental activities capital assets, net	66,584,022	3,358,308	(7,173)	-	69,935,157
Intangible Right-To-Use Assets					
Leased Equipment	624,226	410,597	-	-	1,034,823
Less Accumulated Amortization	(167,068)	(188,121)	-	-	(355,189)
Total Intangible Right-To-Use Assets	457,158	222,476	-	-	679,634
Total Capital And Intangible Assets	\$ 67,041,180	\$ 3,580,784	\$ (7,173)	\$ -	\$ 70,614,791

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities:	
General Government	\$ 9,368
Instruction	1,764,887
Food Sales	1,066
Total Depreciation Expense	<u>\$ 1,775,321</u>

Amortization expense was charged to functions/programs of the District as follows:

Governmental Activities:	
Instruction	\$ 188,121
Total Amortization Expense	<u>\$ 188,121</u>

CATSKILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

VII. RIGHT-TO-USE ASSETS:

In fiscal year 2022, the School District implemented the guidance in GASB No. 87, Leases, and recognized the value of printers leased under long-term contracts. As of June 30, 2023, the School District had several onetime purchases of equipment, and two lease agreements in place for copiers machines with a net asset value of \$679,634.

The School District leases a variety of network printer and technology equipment from Questar III BOCES.

In May 2019, the School District entered into a lease agreement for one copier in the amount of \$40,031. The right-of-use asset is being amortized over a period of 60 months.

In July 2019, the School District entered into a new lease agreement for 3 copiers in the amount of \$28,500. The right-of-use asset is being amortized over a period of 60 months.

The outstanding lease liability at June 30, 2023 amount to \$13,039.

VIII. SHORT-TERM DEBT:

State law requires that Bond Anticipation Notes ("BANs") issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

The following is a summary of the School District's outstanding BANs for the year ended June 30, 2023:

Description	Date of Issue	Original Borrowing	Interest Rate	Date of Final Maturity	Outstanding Principal 2023
District-Wide Renovations and Improvements	06/29/23	\$ 1,000,000	3.84%	06/28/24	\$ 1,000,000
District-Wide Renovations and Improvements	06/30/23	\$ 8,585,000	5.00%	06/28/24	8,585,000
			TOTAL		<u>\$ 9,585,000</u>

Interest expense on short-term debt recorded during the year was:

Interest Paid	\$ -
Less: BAN premium	(91,945)
Plus: Interest accrued - current year	<u>-</u>
	<u>\$ (91,945)</u>

CATSKILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

IX. LONG-TERM DEBT

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

Governmental Activities	Beginning Balance	Issued/ Earned	Redeemed/ Paid	Ending Balance	Current Portion
Serial Bonds	\$ 36,820,000	\$ 7,420,000	\$ (10,615,000)	\$ 33,625,000	\$ 3,275,000
Bond Premium	3,190,690	687,612	(360,760)	3,517,542	360,764
Other liabilities:					
Lease Liability	26,745	-	(13,706)	13,039	
Compensated Absences	682,937	723,710	-	1,406,647	-
ERS Pension Liability	-	2,433,452	-	2,433,452	-
TRS Pension Liability	-	1,551,714	-	1,551,714	-
Other Postemployment Benefits	54,489,558	-	(6,289,168)	48,200,390	-
Total long-term liabilities	<u>\$ 95,209,930</u>	<u>\$ 12,816,488</u>	<u>\$ (17,278,634)</u>	<u>\$ 90,747,784</u>	<u>\$ 3,635,764</u>

Activity for compensated absences is shown at net due to the impracticality of determining these amounts separately.

Each governmental fund's liability for general obligation bonds payable, judgments and claims, compensated absences, net pension liability and other post-employment benefit obligations is liquidated by the General Fund.

The following is a summary of the maturity of serial bonds:

	Principal	Interest	Total
2024	\$ 3,275,000	\$ 1,673,605	\$ 4,948,605
2025	2,780,000	1,511,355	4,291,355
2026	2,870,000	1,373,555	4,243,555
2027	2,725,000	1,231,095	3,956,095
2028	2,760,000	1,095,550	3,855,550
2029-2034	11,455,000	3,509,700	14,964,700
2034-2041	7,760,000	949,000	8,709,000
Total	<u>\$ 33,625,000</u>	<u>\$ 11,343,860</u>	<u>\$ 44,968,860</u>

Interest expense on long-term debt recorded during the year was:

Interest Paid	\$ 2,176,603
Less: Bond Premium Amortization	(360,760)
Plus: Loss on Refunding Amortization	60,643
Less: Interest accrued - prior year	(188,017)
Plus: Interest accrued - current year	133,240
Plus: Current Year Loss on Refunding	18,270
Less: DASNY Interest Refund	(47,231)
	<u>\$ 1,792,748</u>

Bond Defeasance

In October 2022 the District issued 2022 Series Refunding Bonds in the amounts of \$6,610,000 and \$490,000 with an interest rate of 5.00% interest rate to refund the DASNY 2012 A and the DASNY 2012 F Series bonds. The face amount of the refunded bonds was \$7,110,000 and \$510,000 respectively with an interest rate of 3.00%. The net proceeds of the refunding bonds of \$7,787,612 was used to pay issuance costs and make a deposit of \$7,638,270 to an escrow account with a fiscal agent to pay the principal and interest due on the bonds. The bonds were callable on October 1 and subsequently paid. The District incurred a loss on defeasance of \$18,270, which was charged to interest expense and realized a budgetary savings of \$346,718 over the life of the new debt.

**CATSKILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

X. PENSION PLANS

Plan Description

The School District participates in the New York State and Local Employees' Retirement System ("ERS"). This is a cost-sharing, multiple-employer defined benefit pension plan. ERS provides retirement benefits as well as death and disability benefits. The net position of the ERS is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all assets and record changes in fiduciary net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The School District also participates in the New York State Teachers' Retirement System ("TRS"). This is a cost-sharing, multiple-employer defined benefit pension plan. TRS provides retirement benefits as well as death and disability benefits. The TRS is governed by a ten-member Board of Trustees, which sets policy and oversees operations consistent with its fiduciary obligations under applicable law. Obligations of employers and employees to contribute and benefits to employees are governed by the Education Law of the State of New York. Once a public employer elects to participate in the TRS, 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 TRS issues a stand-alone financial report which may be found at www.nystrs.org or obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

ERS and TRS are noncontributory for employees who joined the systems before July 27, 1976. Employees who joined the systems after July 27, 1976, and before January 1, 2010, contribute 3% of their salary for the first ten years of membership. Employees who joined the systems after January 1, 2010, generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. Pursuant to Article 11 of the Education Law of the State of New York, actuarially determined employer contributions are established annually for the TRS by its Board of Trustees.

Plan Year Ended	ERS		TRS	
2023	\$	366,879	\$	1,403,896
2022	\$	448,412	\$	1,319,149
2021	\$	399,844	\$	1,225,496

At June 30, 2023, the School District reported the following for its proportionate share of the net pension asset/(liability) for ERS and TRS:

	ERS		TRS	
Measurement Date	March 31, 2023		June 30, 2022	
Net Pension asset/(liability)	\$	(2,433,452)	\$	(1,551,714)
School District's proportion of the net pension asset/(liability)	0.01134790%		0.08086500%	

CATSKILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

X. PENSION PLANS – CONTINUED

The net pension asset/(liability) was measured as of March 31, 2023 for ERS and June 30, 2022 for TRS and the total pension liability used to calculate the net pension asset/(liability) was determined by actuarial valuations as of those dates. The School District's proportion of the net pension liability for ERS was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. The School District's proportion of the net pension asset for TRS was based on the School District's contributions to the pension plan relative to the contributions of all participating members.

For the year ended June 30, 2023, the School District recognized pension expense in the district-wide financial statements of \$3,071,597, (\$907,659 for ERS and \$2,163,640 for TRS). Pension expenditures of \$1,936,584, (\$409,092 for ERS and \$1,527,492 for TRS) were recorded in the fund financial statements and were charged to the General, School Lunch and Library Funds.

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

	Deferred Outflows of Resources		
	<u>ERS</u>	<u>TRS</u>	<u>Total</u>
Differences between expected and actual experience	\$ 259,182	\$ 1,626,000	\$ 1,885,182
Changes of assumptions	1,181,841	3,010,062	4,191,903
Net difference between projected and actual earnings on pension plan investments	-	2,004,961	2,004,961
Changes in proportion and difference between the District's contributions and proportionate share of contributions	92,345	130,954	223,299
School District's contributions subsequent to the measurement date	128,011	1,527,492	1,655,503
Total	<u>\$ 1,661,379</u>	<u>\$ 8,299,469</u>	<u>\$ 9,960,848</u>

	Deferred Inflows of Resources		
	<u>ERS</u>	<u>TRS</u>	<u>Total</u>
Differences between expected and actual experience	\$ 68,341	\$ 31,094	\$ 99,435
Changes of assumptions	13,062	625,074	638,136
Net difference between projected and actual earnings on pension plan investments	14,296	-	14,296
Changes in proportion and difference between the District's contributions and proportionate share of contributions	57,267	27,668	84,935
Total	<u>\$ 152,966</u>	<u>\$ 683,836</u>	<u>\$ 836,802</u>

CATSKILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

X. PENSION PLANS – CONTINUED

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

Year Ended:	ERS	TRS
2024	\$ 327,351	\$ 1,185,754
2025	(112,392)	625,565
2026	494,906	(234,555)
2027	670,537	3,969,668
2028	-	514,201
Thereafter	-	27,508
Total	<u>\$ 1,380,402</u>	<u>\$ 6,088,141</u>

The total pension liability for the ERS and TRS measurement dates were determined by using actuarial valuation dates as noted below, with update procedures used to roll forward the total pension liabilities to those measurement dates. Significant actuarial assumptions used in the valuations were as follows:

Measurement Date	ERS March 31, 2023	TRS June 30, 2022
Investment Rate of Return	5.90% compounded annually net of investment expense	6.95% compounded annually net of investment expense
Projected Salary Increases	4.40%	1.95%-5.18%
Cost of Living Adjustments	1.5% annually	1.3% annually
Decrement Tables	April 1, 2015 - March 31, 2020 System's Experience Study	July 1, 2015 - June 30, 2020 System's Experience Study
Inflation Rate	2.90%	2.40%
Mortality Improvement	Society of Actuaries Scale MP - 2021	Society of Actuaries Scale MP - 2021

CATSKILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

X. PENSION PLANS – CONTINUED

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

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

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocations are summarized below:

Measurement Date	ERS		TRS	
	March 31, 2023		June 30, 2022	
	Target allocation	Long-term expected real rate of return	Target allocation	Long-term expected real rate of return
Asset Class:				
Domestic Equity	32%	4.30%	33%	6.50%
International Equity	15%	6.85%	16%	7.20%
Private Equity	10%	7.50%	8%	9.90%
Real Estate Equity	9%	4.60%	11%	6.20%
Domestic Fixed Income Securities	0%	0.00%	16%	1.10%
Global Bonds	0%	0.00%	2%	0.60%
High Yield Bonds	0%	0.00%	1%	3.30%
Global Equities	0%	0.00%	4%	6.90%
Private Debt	0%	0.00%	2%	5.30%
Real Estate Debt	0%	0.00%	6%	2.40%
Opportunistic/Absolute Return Strategy	3%	5.38%	0%	0.00%
Credit	4%	5.43%	0%	0.00%
Real Assets	3%	5.84%	0%	0.00%
Fixed Income	23%	1.50%	0%	0.00%
Cash	1%	0.00%	1%	-0.30%
Total	100%		100%	

CATSKILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

X. PENSION PLANS – CONTINUED

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

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

	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
ERS			
Employer's Proportionate Share of the Net Pension Asset/(Liability)	\$ (5,880,609)	\$ (2,433,452)	\$ 447,049
	1% Decrease 5.95%	Current Assumption 6.95%	1% Increase 7.95%
TRS			
Employer's Proportionate Share of the Net Pension Asset/(Liability)	\$ (14,307,528)	\$ (1,551,714)	\$ 9,175,842

The components of the collective net pension liability as of the March 31, 2023 ERS measurement date and the June 30, 2022 TRS measurement date were as follows.

	(Dollars in Thousands)	
	ERS	TRS
Measurement Date	March 31, 2023	June 30, 2022
Employers' total pension liability	\$ (232,627,259)	\$ (133,883,474)
Plan net position	211,183,223	131,964,582
Employers' net pension asset/(liability)	<u>\$ (21,444,036)</u>	<u>\$ (1,918,892)</u>
Ratio of plan net position to the employers' total pension asset/(liability)	90.78%	98.57%

**CATSKILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

X. PENSION PLANS – CONTINUED

Employer contributions to ERS are paid annually and cover the period through the end of ERS's fiscal year, which is March 31st. Accrued retirement contributions as of June 30, 2023 represent the projected employer contribution for the period April 1, 2023 through June 30, 2023 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly.

Employer and employee contributions for the year ended June 30, 2023 are paid to TRS in the following fiscal year through a state aid intercept or, if state aid is insufficient, through a payment by the School District to TRS. Accrued retirement contributions as of June 30, 2023 represent employee and employer contributions for the fiscal year ended June 30, 2023 based on paid TRS wages multiplied by the employers' contribution rate plus employee contributions for the fiscal year as reported to TRS.

Accrued retirement contributions as of June 30, 2023 were \$128,010 to ERS and \$1,653,319 to TRS and were recorded in the General and School Lunch Funds.

XI. OTHER POST EMPLOYMENT BENEFIT OBLIGATIONS (“OPEB”)

Plan Description

The School District provides certain health care benefits for retired employees through a single employer defined benefit OPEB plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the School District may vary according to length of service. The cost of providing post-employment health care benefits is shared between the School District and the retired employee as noted below. Substantially all of the School District's employees may become eligible for those benefits if they reach normal retirement age while working for the School District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

At June 30, 2023, the following employees were covered by the benefit terms:

Active Employees	238
Retirees	110
Beneficiaries	2
Spouses of Beneficiaries	33
Total Employees Covered by Benefit Terms	<u>383</u>

The School District's total OPEB liability of \$48,200,390 was measured as of June 30, 2023 and was determined by an actuarial valuation dated July 1, 2022.

CATSKILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

XI. OTHER POST EMPLOYMENT BENEFIT OBLIGATIONS (“OPEB”) - CONTINUED

The total OPEB liability as of the June 30, 2023 measurement date was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	2.40%
Projected Salary Increases, Including Wage Inflation	Varies by years of service and retirement system
Discount Rate	3.65%
Healthcare Cost Trend Rates	6.80% decreasing to 3.80% over 55 years
Retiree's Share of Benefit Related Costs	Varies depending on age, date of retirement and bargaining unit

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Mortality rates were based on recent mortality tables published by SOA (Pub-2010), which were based on the public pension plan’s mortality experience from calendar years 2008 to 2013.

The actuarial assumptions used in the June 30, 2023 valuation were based on the NYS ERS assumptions first adopted on April 1, 2020 and NYS TRS assumptions first adopted on June 30, 2015 with the exception of mortality rates.

The School District's change in the total OPEB liability for the year ended June 30, 2023 is as follows:

Balance - Beginning	\$	54,489,558
Changes for the Year:		
Service Cost		1,859,006
Interest		1,977,763
Differences Between Expected and Actual Experience		(6,740,478)
Changes in Assumptions or Other Inputs		(2,417,967)
Benefit Payments		(967,492)
Net Changes		<u>(6,289,168)</u>
Balance - Ending	\$	<u><u>48,200,390</u></u>

CATSKILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

XI. OTHER POST EMPLOYMENT BENEFIT OBLIGATIONS (“OPEB”) - CONTINUED

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

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65%) or 1 percentage point higher (4.65%) than the current discount rate:

	1% Decrease 2.65%	Discount Rate 3.65%	1% Increase 4.65%
Total OPEB Liability	\$ 57,085,593	\$ 48,200,390	\$ 41,145,123

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trends

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

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 39,892,995	\$ 48,200,390	\$ 59,070,912

For the year ended June 30, 2023, the School District recognized additional OPEB expense of \$291,811 in the district-wide financial statements. At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,850,311	\$ (5,950,121)
Changes of Assumptions or other inputs	7,620,885	(18,891,638)
Total	\$ 9,471,196	\$ (24,841,759)

CATSKILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS

XI. OTHER POST EMPLOYMENT BENEFIT OBLIGATIONS (“OPEB”) - CONTINUED

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

Year Ending June 30,	Amount
2024	\$ (2,577,466)
2025	(2,577,466)
2026	(2,577,466)
2027	(2,124,041)
2028	(2,130,623)
Thereafter	(3,383,501)
Total	<u>\$ (15,370,563)</u>

XII. CONTINGENCIES

Tax Certiorari Proceedings

There are currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the School District if existing assessment rolls are modified based on the outcome of the litigation proceedings. However, the amount of these possible refunds cannot be determined at the present time. Any payments resulting from adverse decisions will be funded in the year the payment is made.

Contingencies

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

The School District is subject to audits of State aid by the New York State Education Department. The amount of aid previously paid to the School District which may be disallowed cannot be determined at this time, although the School District anticipates such amounts, if any, to be immaterial.

XIII. PRIOR PERIOD ADJUSTMENT

At the fund level, a prior period adjustment of 175,672 was recorded to increase the General to correct the TRS retirement accrual recorded as of June 2022.

Additionally, the net position as of July 1, 2022 was adjusted as follows:

Net Position as of July 1, 2022	\$ (12,129,817)
To Adjust the TRS Retirement Accrual	175,672
Net Position as of July 1, 2022 - Restated	<u>\$ (11,954,145)</u>

**CATSKILL CENTRAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS**

XIV. NEW ACCOUNTING STANDARDS

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. This statement addresses a variety of topics, including derivative instruments, leases, Paycheck Protection Program Arrangements, Subscription Based Information Technology Arrangements, London Interbank Offered Rate and pledges of future revenues. Many of the requirements are effective immediately. The requirements related to leases, PPPs, and SBITAs are effective for years beginning after June 15, 2022. The requirements related to financial guarantees and derivative instruments are effective for fiscal years beginning after June 15, 2023.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. This statement provides clarification and guidance for accounting and financial reporting related to accounting changes and error corrections (“ACEC”). GASB 100 also addresses disclosure requirements for ACEC, and how these items should be presented in Required Supplementary Information and Supplementary Information. The requirements of this statement are effective for ACECs made in fiscal years beginning after June 15, 2023.

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This statement amends the recognition, measurement, and disclosure requirements for compensated absences. The requirements of this statement are effective for fiscal years beginning after December 15, 2023.

Management has not estimated the potential impact of these statements, if any, on the District’s financial statements.

XV. ADOPTION OF CHANGE IN ACCOUNTING PRINCIPLE:

For fiscal year June 30, 2023, the School District adopted GASB 96, *Subscription-Based Information Technology Arrangements* and it did not have a material impact to the financial statements.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

CATSKILL CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE SCHOOL DISTRICT'S TOTAL OPEB LIABILITY
AND RELATED RATIOS

<u>Total OPEB Liability</u>	6/30/23	6/30/22	6/30/21	6/30/20	6/30/19	6/30/18
Service Cost	\$ 1,859,006	\$ 3,255,456	\$ 2,877,025	\$ 1,879,530	\$ 2,450,277	\$ 2,398,774
Interest	1,977,763	1,494,750	1,262,480	1,618,380	1,665,817	1,572,854
Change of Benefit Terms	-	-	-	-	(266,993)	-
Differences Between Expected and Actual Experience	(6,740,478)	-	2,470,080	-	602,065	(132,519)
Changes in Assumptions or Other Inputs	(2,417,967)	(15,625,504)	6,178,266	7,339,268	(12,319,383)	-
Benefit Payments	(967,492)	(1,155,983)	(1,025,970)	(868,742)	(830,290)	(754,008)
Net Change in Total OPEB Liability	(6,289,168)	(12,031,281)	11,761,881	9,968,436	(8,698,507)	3,085,101
Total OPEB Liability - Beginning	54,489,558	66,520,839	54,758,958	44,790,522	53,489,029	50,403,928
Total OPEB Liability - Ending (a)	<u>\$ 48,200,390</u>	<u>\$ 54,489,558</u>	<u>\$ 66,520,839</u>	<u>\$ 54,758,958</u>	<u>\$ 44,790,522</u>	<u>\$ 53,489,029</u>
<u>Plan Fiduciary Net Position</u>						
Contributions - Employer	\$ 967,492	\$ 1,155,983	\$ 1,025,970	\$ 868,742	\$ 830,290	\$ 754,008
Benefit Payments	(967,492)	(1,155,983)	(1,025,970)	(868,742)	(830,290)	(754,008)
Net Change in Plan Fiduciary Net Position	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Net OPEB Liability - Ending (a) - (b)	<u>\$ 48,200,390</u>	<u>\$ 54,489,558</u>	<u>\$ 66,520,839</u>	<u>\$ 54,758,958</u>	<u>\$ 44,790,522</u>	<u>\$ 53,489,029</u>
Plan Fiduciary Net position as a percentage of the total OPEB liability	0%	0%	0%	0%	0%	0%
Covered Payroll	\$ 15,210,863	\$ 15,689,649	\$ 15,689,649	\$ 14,292,770	\$ 14,292,770	\$ 15,267,740
Total OPEB Liability as a percentage of covered payroll	316.88%	347.30%	423.98%	383.12%	313.38%	350.34%

Notes to Schedule:

Changes in Assumptions:

Changes in Assumptions and other inputs reflect the effects of changes in the discount rate each period.

The following are the discount rates used in each period:

6/30/23	3.65%
6/30/22	3.54%
6/30/21	2.16%
6/30/20	2.21%
6/30/19	3.50%
6/30/18	3.00%

GASB 75 requires that the past 10 years of information be presented. Due to the fact that 2019 was the year of implementation, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 75.

CATSKILL CENTRAL SCHOOL DISTRICT
SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/(LIABILITY)
AND RELATED RATIOS

Plan Year Ended	Proportion of the Net Pension Asset (Liability)	Proportionate Share of the Net Pension Asset (Liability)	Actual Covered Member Payroll	Net Pension Asset/(Liability) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
Teachers Retirement System					
6/30/2022	0.0808650%	\$ (1,551,714)	\$ 11,264,117	(13.78%)	97.37%
6/30/2021	0.0815520%	\$ 14,132,262	\$ 14,383,329	98.25%	113.20%
6/30/2020	0.0814920%	\$ (2,251,846)	\$ 12,012,767	(18.75%)	97.80%
6/30/2019	0.0837070%	\$ 2,174,717	\$ 14,469,119	15.03%	102.20%
6/30/2018	0.0829100%	\$ 1,499,174	\$ 14,660,472	10.23%	101.53%
6/30/2017	0.0832200%	\$ 632,542	\$ 13,460,896	4.70%	100.66%
6/30/2016	0.0835900%	\$ (895,258)	\$ 13,486,347	(6.64%)	99.01%
6/30/2015	0.0837200%	\$ 8,695,893	\$ 13,146,766	66.14%	110.46%
6/30/2014	0.0856440%	\$ 9,540,184	\$ 11,962,421	79.75%	111.48%

Plan Year Ended	Proportion of the Net Pension Asset (Liability)	Proportionate Share of the Net Pension Asset (Liability)	Actual Covered Member Payroll	Net Pension Asset/(Liability) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
Employees Retirement System					
3/31/2023	0.01134790%	\$ (2,433,452)	\$ 4,052,567	(60.05%)	90.78%
3/31/2022	0.01042020%	\$ 851,811	\$ 3,829,512	22.24%	103.65%
3/31/2021	0.01071980%	\$ (10,674)	\$ 5,828,659	(0.18%)	99.95%
3/31/2020	0.00955500%	\$ (2,530,220)	\$ 3,488,326	(72.53%)	86.39%
3/31/2019	0.00100766%	\$ (713,956)	\$ 3,334,295	(21.41%)	96.27%
3/31/2018	0.00964320%	\$ (311,228)	\$ 2,615,514	(11.90%)	98.24%
3/31/2017	0.00990930%	\$ (931,099)	\$ 3,170,889	(29.36%)	94.70%
3/31/2016	0.01082170%	\$ (1,736,917)	\$ 3,322,036	(52.28%)	90.68%
3/31/2015	0.01107410%	\$ (374,109)	\$ 3,687,603	(10.15%)	97.95%

GASB 68 requires that the past 10 years of information be presented. Due to the fact that GASB 68 was recently implemented, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 68.

**CATSKILL CENTRAL SCHOOL DISTRICT
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Plan Year Ended	Contractually Required Contribution	Actual Employer Contribution	Contribution (deficiency) excess	Covered Employee Payroll	Required Contributions as a Percentage of Covered Payroll
Teachers Retirement System					
6/30/2022	\$ 1,403,896	\$ 1,403,896	\$ -	\$ 11,264,117	12.46%
6/30/2021	\$ 1,319,149	\$ 1,319,149	\$ -	\$ 14,383,329	9.17%
6/30/2020	\$ 1,225,496	\$ 1,225,496	\$ -	\$ 12,012,767	10.20%
6/30/2019	\$ 1,483,835	\$ 1,483,835	\$ -	\$ 14,469,119	10.26%
6/30/2018	\$ 1,323,450	\$ 1,323,450	\$ -	\$ 14,660,472	9.03%
6/30/2017	\$ 1,545,559	\$ 1,545,559	\$ -	\$ 13,460,896	11.48%
6/30/2016	\$ 1,710,328	\$ 1,710,328	\$ -	\$ 13,486,347	12.68%
6/30/2015	\$ 2,204,565	\$ 2,204,565	\$ -	\$ 13,146,766	16.77%
6/30/2014	\$ 2,055,775	\$ 2,055,775	\$ -	\$ 11,962,421	17.19%

Plan Year Ended	Contractually Required Contribution	Actual Employer Contribution	Contribution (deficiency) excess	Covered Employee Payroll	Required Contributions as a Percentage of Covered Payroll
Employees Retirement System					
3/31/2023	\$ 366,879	\$ 366,879	\$ -	\$ 4,052,567	9.05%
3/31/2022	\$ 448,412	\$ 448,412	\$ -	\$ 3,829,512	11.71%
3/31/2021	\$ 399,844	\$ 399,844	\$ -	\$ 5,828,659	6.86%
3/31/2020	\$ 365,533	\$ 365,533	\$ -	\$ 3,488,326	10.48%
3/31/2019	\$ 446,399	\$ 446,399	\$ -	\$ 3,334,295	13.39%
3/31/2018	\$ 349,777	\$ 349,777	\$ -	\$ 2,615,514	13.37%
3/31/2017	\$ 509,375	\$ 509,375	\$ -	\$ 3,170,889	16.06%
3/31/2016	\$ 604,967	\$ 604,967	\$ -	\$ 3,322,036	18.21%
3/31/2015	\$ 341,032	\$ 341,032	\$ -	\$ 3,687,603	9.25%

GASB 68 requires that the past 10 years of information be presented. Due to the fact that GASB 68 was recently implemented, prior year information is not fully available for 10 years. The data will be accumulated over time and presented according to GASB 68.

CATSKILL CENTRAL SCHOOL DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET -
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts	Final Budget Variance to
	Original	Final	GAAP Basis	Actual &
Revenues:				
Real Property Taxes	\$ 20,335,067	\$ 19,173,004	\$ 19,150,377	\$ (22,627)
Other Tax Items	3,516,754	4,678,817	4,718,137	39,320
Charges for Services	6,500	6,500	13	(6,487)
Use of Money and Property	103,000	103,000	232,019	129,019
Sale of Property and Compensation for Loss	326,589	626,589	572,566	(54,023)
Miscellaneous	343,400	343,400	381,532	38,132
State Aid	20,027,401	20,027,401	19,280,192	(747,209)
Federal Aid	100,000	100,000	244,725	144,725
Total Revenues	44,758,711	45,058,711	44,579,561	(479,150)
Expenditures:				
General Support	4,390,042	5,606,207	5,353,216	(252,991)
Instruction	24,335,485	24,284,046	21,681,992	(2,602,054)
Pupil Transportation	3,267,111	3,267,111	3,037,470	(229,641)
Employee Benefits	10,223,204	10,017,115	8,588,552	(1,428,563)
Debt Service - Principal	3,600,000	3,210,000	2,995,000	(215,000)
Debt Service - Interest	2,105,322	2,415,322	2,176,603	(238,719)
Capital Outlay	529,837	562,953	-	(562,953)
Total Expenditures	48,451,001	49,362,754	43,832,833	(5,529,921)
Excess/(Deficiency) of				
Revenues Over Expenditures	(3,692,290)	(4,304,043)	746,728	5,050,771
Other Financing Uses:				
Operating Transfers In	250,000	250,000	250,000	-
Operating Transfers Out	(125,000)	(205,000)	(170,423)	34,577
Total Other Financing Sources/(Uses)	125,000	45,000	79,577	34,577
Net Change in Fund Balance	(3,567,290)	(4,259,043)	826,305	5,085,348
Appropriated Fund Balance	3,567,290	4,259,043	-	(4,259,043)
Change in Fund Balance	\$ -	\$ -	\$ 826,305	\$ 826,305

**SUPPLEMENTARY
INFORMATION**

CATSKILL CENTRAL SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR FUNDS
JUNE 30, 2023

	School Lunch Fund	Debt Service Fund	Special Misc. Revenue Fund	Total Non- Major Funds
ASSETS				
Cash and Cash Equivalents	\$ 80,563	\$ -	\$ 63,111	\$ 143,674
Restricted Cash	-	130,483	-	130,483
Due from Other Funds	528,194	142,357	4,198	674,749
State and Federal Aid Receivable	36,490	-	-	36,490
Accounts Receivable	1,935	-	-	1,935
Inventories	26,851	-	-	26,851
Total Assets	<u>\$ 674,033</u>	<u>\$ 272,840</u>	<u>\$ 67,309</u>	<u>\$ 1,014,182</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	1,648	-	-	1,648
Unearned Revenues	3,104	-	-	3,104
Due to Other Funds	744,661	-	2,148	746,809
Due to Other Governments	452	-	-	452
Due to Employees' Retirement System	12,801	-	-	12,801
Total Liabilities	<u>762,666</u>	<u>-</u>	<u>2,148</u>	<u>764,814</u>
Fund Balances:				
Nonspendable	26,851	-	-	26,851
Restricted	-	130,483	-	130,483
Assigned	-	142,357	65,161	207,518
Unassigned	(115,484)	-	-	(115,484)
Total Fund Balances	<u>(88,633)</u>	<u>272,840</u>	<u>65,161</u>	<u>249,368</u>
Total Liabilities and Fund Balances	<u>\$ 674,033</u>	<u>\$ 272,840</u>	<u>\$ 67,309</u>	<u>\$ 1,014,182</u>

CATSKILL CENTRAL SCHOOL DISTRICT
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	School Lunch Fund	Debt Service Fund	Special Misc. Revenue Fund	Total Non- Major Funds
Revenues:				
Use of Money and Property	\$ 5	\$ 2,489	\$ -	2,494
Sale of Property and Compensation for Loss	-	-	27,734	27,734
Miscellaneous	606	-	-	606
State Aid	10,863	-	-	10,863
Federal Aid	530,565	-	-	530,565
Surplus Food	39,449	-	-	39,449
Food Sales	85,249	-	-	85,249
Total Revenues	666,737	2,489	27,734	696,960
Expenditures:				
Employee Benefits	99,923	-	-	99,923
Debt Service - Interest	-	-	-	-
Cost of Sales	600,109	-	-	600,109
Other Expenditures	60,499	149,342	16,577	226,418
Capital Outlay	-	-	-	-
Total Expenditures	760,531	149,342	16,577	926,450
Excess/(Deficiency) of Revenues Over Expenditures	(93,794)	(146,853)	11,157	(229,490)
Other Financing Sources/(Uses):				
Proceeds from Debt	-	7,100,000	-	7,100,000
Payment to Refunded Bond Escrow Agent	-	(7,638,270)	-	(7,638,270)
Bond Premium	-	826,788	-	826,788
Operating Transfers In	5,480	-	-	5,480
Operating Transfers Out	-	(250,000)	-	(250,000)
Total Other Financing Sources/(Uses)	5,480	38,518	-	43,998
Change in Fund Balances	(88,314)	(108,335)	11,157	(185,492)
Fund Balances - Beginning	(319)	381,175	54,004	434,860
Fund Balances - Ending	\$ (88,633)	\$ 272,840	\$ 65,161	\$ 249,368

CATSKILL CENTRAL SCHOOL DISTRICT
SCHEDULE OF INDEBTEDNESS
JUNE 30, 2023

	Fiscal Year of Issue	Fiscal Year of Final Maturity	Interest Rate	Outstanding Beginning of Fiscal Year	Issued During Fiscal Year	Paid During Fiscal Year	Refinanced During Fiscal Year	Outstanding End of Fiscal Year	Amount of Interest Paid During Fiscal Year	Amount of Interest Accrued at 6/30/2023	Due Within the Next Year
<u>BOND ANTICIPATION NOTE</u>											
District-Wide Renovations and Improvements	2023	2024	3.84%	\$ -	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
District-Wide Renovations and Improvements	2023	2024	5.00%	-	8,585,000	-	-	8,585,000	-	-	8,585,000
TOTAL BOND ANTICIPATION NOTE				-	9,585,000	-	-	9,585,000	-	-	9,585,000
<u>LEASES PAYABLE</u>											
Equipment				26,745	-	13,706	-	13,039	-	-	13,039
TOTAL LEASES PAYABLE				26,745	-	13,706	-	13,039	-	-	13,039
<u>SERIAL BONDS</u>											
District-Wide Renovations and Improvements	2022	2037	5.00%	24,980,000	-	1,100,000	-	23,880,000	1,623,975	49,750	1,330,000
Middle/High School	2017	2032	2.00%	4,220,000	-	1,085,000	-	3,135,000	207,800	57,581	1,020,000
Elementary School	2012	2030	3.00%	7,110,000	-	-	7,110,000	-	-	-	-
Middle/High School	2012	2023	3.00%	510,000	-	-	510,000	-	-	-	-
Elementary School	2023	2030	5.00%	-	6,610,000	695,000	-	5,915,000	327,746	24,646	730,000
Middle/High School	2023	2023	5.00%	-	490,000	115,000	-	375,000	17,082	781	120,000
Bus Bond	2023	2027	5.00%	-	320,000	-	-	320,000	-	482	75,000
TOTAL SERIAL BONDS				36,820,000	7,420,000	2,995,000	7,620,000	33,625,000	2,176,603	133,240	3,275,000
TOTAL INDEBTEDNESS				\$ 36,846,745	\$ 17,005,000	\$ 3,008,706	\$ 7,620,000	\$ 43,223,039	\$ 2,176,603	\$ 133,240	\$ 12,873,039

OTHER INFORMATION

**CATSKILL CENTRAL SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
YEAR ENDED JUNE 30, 2023**

Adopted Budget	\$ 48,576,001
Additions:	
Encumbrances from Prior Year	<u>453,453</u>
Original Budget	49,029,454
Budget Amendments - Other	<u>538,300</u>
Final Budget	<u><u>\$ 49,567,754</u></u>

**CATSKILL CENTRAL SCHOOL DISTRICT
GENERAL FUND
SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION
YEAR ENDED JUNE 30, 2023**

2023-2024 Voter-approved expenditure budget maximum allowed	<u>\$ 49,888,670</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	
Unrestricted Fund Balance	
Assigned Fund Balance	\$ 3,746,157
Unassigned Fund Balance	<u>5,549,248</u>
Total Unrestricted Fund Balance	<u>9,295,405</u>
Less:	
Appropriated Fund Balance for 2023-24 Budget	3,576,422
Encumbrances Included in Assigned Fund Balance	<u>169,735</u>
Total Adjustments	<u>3,746,157</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 5,549,248</u></u>
Actual Percentage	<u><u>11%</u></u>

CATSKILL CENTRAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
PROJECT LENGTH SCHEDULE
INCEPTION OF PROJECT THROUGH JUNE 30, 2023

Project	Expenditures and Transfers to Date					Methods of Financing				Fund Balance (Deficit) at June 30, 2023
	Project Budget	Prior Year	Current Year	Total	Unexpended Balance	Proceeds of Obligations	Local Sources	Interfund Transfers	Totals	
Districtwide	\$ 75,090,251	\$28,812,428	\$ 4,795,831	\$ 33,608,259	\$41,481,992	\$ 26,960,000	\$ 4,000,000	\$ -	\$ 30,960,000	\$ (2,648,259)
Bus / Equipment	400,000	-	186,797	186,797	213,203	320,000	-	80,000	400,000	213,203
Total	<u>\$ 75,490,251</u>	<u>\$28,812,428</u>	<u>\$ 4,982,628</u>	<u>\$ 33,795,056</u>	<u>\$41,695,195</u>	<u>\$ 27,280,000</u>	<u>\$ 4,000,000</u>	<u>\$ 80,000</u>	<u>\$ 31,360,000</u>	<u>\$ (2,435,056)</u>

CATSKILL CENTRAL SCHOOL DISTRICT
SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2023

Capital Assets, net	\$	69,935,157
Right to Use Lease Asset		679,634
Deductions:		
Short-term Portion of Bonds Payable	\$	3,275,000
Long-term Portion of Bonds Payable		30,350,000
Short-term Bond Premium		360,764
Long-term Bond Premium		3,156,778
Bond Anticipation Notes		9,585,000
Short-term Portion of Leases Payable		<u>13,039</u>
		<u>46,740,581</u>
Net Investment in Capital Assets	\$	<u><u>23,874,210</u></u>

**OTHER REPORTING
REQUIRED BY
GOVERNMENT AUDITING
STANDARDS**



LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

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

Board of Education
Catskill Central School District
347 West Main Street
Catskill, NY 12414

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 Catskill Central School District (the "School District") as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated November 1, 2023.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2023-01.

Purpose of this Report

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

RBT CPAs, LLP

Hudson, NY

November 1, 2023

**CATSKILL CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

A. Internal Control Findings

None Noted

B. Compliance Finding

Finding 2023-01: Unassigned Fund Balance

Condition: The School District's unassigned fund balance as of June 30, 2023, was approximately 11% of the 2024 budgeted expenditures.

Criteria: Section 1318 of the NYS Real Property Tax Law requires school districts maintain no more than 4% of the subsequent year's budgeted expenditures in unassigned fund balance in the General Fund.

Cause: The School District continuously monitors spending, to reduce costs and eliminate wasteful spending such that revenues frequently exceed expenditures.

Effect: The School District was not in compliance with Section 1318 of the NYS Real Property Tax Law.

Recommendation: RBT recommends that the School District maintain an unassigned fund balance percentage in accordance with Section 1318 of the NYS Real Property Tax Law.