

**CATSKILL CENTRAL SCHOOL DISTRICT**

**Financial Statements and Required Report  
As of and For the Year Ended  
June 30, 2024  
Together with Independent Auditor's Report**

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## **INDEPENDENT AUDITOR'S REPORT**

November 1, 2024

To the Board of Education of  
Catskill Central School District:

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

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Catskill Central School District (School District) as of and for the year ended June 30, 2024, 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 Catskill Central School District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter – Correction of Error Restatement***

As discussed in Note 18 to the financial statements, during the year ended June 30, 2024, the School District reclassified its Extraclassroom and scholarship activities from fiduciary funds to governmental funds. Our opinions are not modified with respect to this matter.

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

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

(Continued)

## **INDEPENDENT AUDITOR'S REPORT (Continued)**

### ***Responsibilities of Management for the Financial Statements (Continued)***

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

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

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 judgement, there are conditions or events, considered in the aggregate, that may 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 general accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of proportionate share of net pension (asset) liability and contributions – pension plans and changes in total OPEB liability, and related ratios 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 by placing the basic financial statements in an appropriate operational, economic, or historic context.

(Continued)

## **INDEPENDENT AUDITOR'S REPORT (Continued)**

### ***Required Supplementary Information (Continued)***

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response 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 accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements 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 financial statement. The other information comprises the Schedule of Change from Original Budget to Revised Budget and the Real Property Tax Limit – General Fund, Schedule of Project Expenditures – Capital Projects Fund 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2024, 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 effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering School District's internal control over financial reporting and compliance.

# CATSKILL CENTRAL SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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*The following is a discussion and analysis of the Catskill Central School District's (the School District) financial performance for the fiscal year ended June 30, 2024. This section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the School-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.*

### FINANCIAL HIGHLIGHTS

- The School District experienced an increase of \$2,728,830 in total net position during the year. The increase was primarily due to increases in State Aid and interest earned in revenues.
- The School District's 2023-2024 actual revenue exceed budgeted revenues by \$322,463.
- The School District's 2023-2024 expenditures including encumbrances were under expended by \$3,349,364 due to in most part to savings in pupil services, employee benefits, programs for children with handicapping conditions and regular school teaching savings due to maximizing federal and state grant funding, administrative restricting, and staffing attrition.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

## OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Figure A-1 shows how the various sections of this annual report are arranged and related to one another.

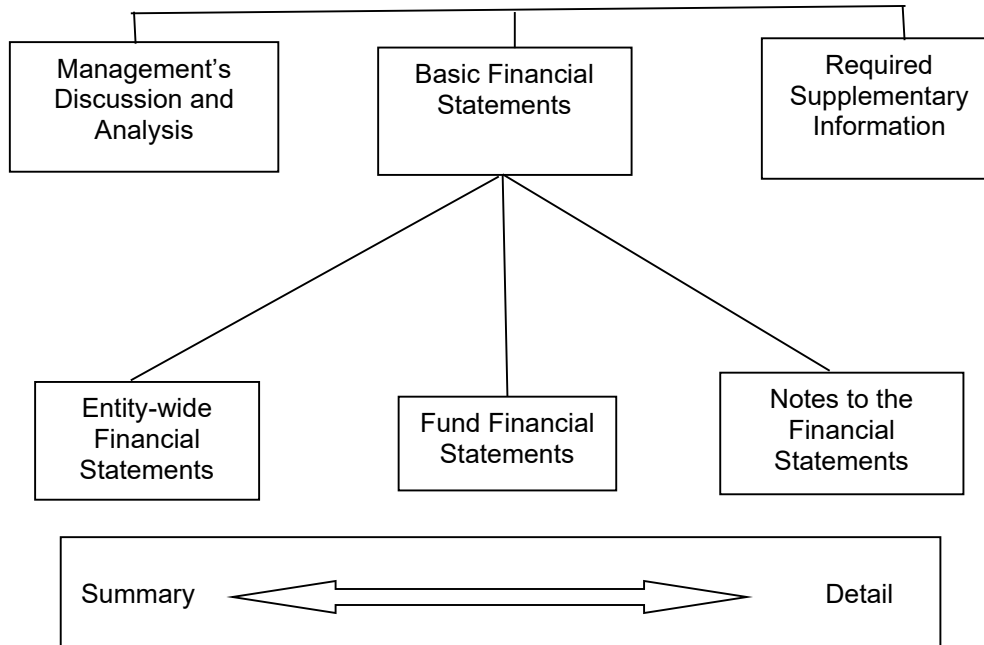


Figure A-2 summarizes the major features of the School District's financial statements, including the portion of the School District's activities that they cover and the types of information that they contain. The remainder of this overview section highlights the structure and contents of each statement.

**Figure A-2 Major Features of the School-Wide and Fund Financial Statements**

	School-Wide	Fund Financial Statements
		Governmental Funds
Scope	Entire School District	The daily operating activities of the School District, such as instruction and special education.
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenue, expenditures, and change in fund balance</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial focus.
Type of asset/liability, deferred outflows/inflows of resources information	All assets, liabilities, deferred outflows & inflows of resources both financial and capital, short-term and long-term debt.	Current assets and liabilities that come due during the year or soon after; no capital assets or long-term liabilities included.
Type of inflow/outflow information	All revenue and expenses during the year, regardless of when cash is received or paid.	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.

## OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

The two School-wide statements report the School District's *net position* and how they have changed. Net position – the difference between the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources – is one way to measure the School District's financial health or position.

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

Net position of the governmental activities differ from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets are reported as expenditures when financial resources, (dollars), are expended to purchase or build such assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. Principal and interest payments are considered expenditures when paid. Depreciation is not calculated. Capital assets and long-term debt are accounted for in account groups and do not affect the fund balances.

School-wide statements use an economic resources measurement focus and full accrual basis of accounting that involves the following steps to prepare the statement of net position:

- Capitalize current outlays for capital assets.
- Report long-term debt as a liability.
- Depreciate capital assets and allocate the depreciation to the proper function.
- Calculate revenue and expenses using the economic resources measurement focus and the full accrual basis of accounting.
- Allocate net position balances as follows:
  - Net investment in capital assets.
  - Restricted net position has constraints placed on use by external sources or imposed by law.
  - Unrestricted net position is net position that does not meet any of the above restrictions.

## OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

### Fund Financial Statements

The fund financial statements provide more detailed information about the School District's funds – not the School District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs. The funds have been established by the State of New York.

The School District has the following types of funds:

- **Governmental Funds:** Most of the School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the School-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them. The governmental fund statements focus primarily on current financial resources and often have a budgetary orientation. Governmental funds include the general fund, special aid fund, school lunch fund, debt service fund, capital projects fund, and the miscellaneous special revenue fund. Required financial statements are the balance sheet and the statement of revenue, expenditures, and changes in fund balance.
- **Fiduciary Funds:** The School District is the trustee, or fiduciary, for assets that belong to others, such as scholarships and the student activities funds. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purpose and by those to whom the assets belong. The School District excludes these activities from the School District wide financial statements because it cannot use these assets to finance its operations. Fiduciary fund reporting focuses on net position and changes in net position.

## FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The School District's net position as of June 30, 2024, are as detailed in Tables A-3 and A-4.

**Figure A-3 Condensed Statement of Net Position (In Thousands of Dollars)**

	<b>Fiscal Year 2024</b>	<b>Fiscal Year 2023</b>	<b>Percent Change</b>
Current and other assets	\$ 20,852	\$ 27,510	-24.20%
Noncurrent assets	<u>76,690</u>	<u>70,615</u>	8.60%
Total assets	<u>97,541</u>	<u>98,125</u>	-0.59%
Deferred outflows of resources	<u>15,443</u>	<u>19,432</u>	-20.53%
Current liabilities	6,720	16,778	-59.95%
Long-term liabilities	<u>90,823</u>	<u>87,099</u>	4.28%
Total liabilities	<u>97,544</u>	<u>103,877</u>	-6.10%
Deferred inflows of resources	<u>23,519</u>	<u>25,679</u>	-8.41%
Net position:			
Net investment in capital assets	34,794	23,874	45.74%
Restricted	12,262	7,677	59.73%
Unrestricted	<u>(55,135)</u>	<u>(43,105)</u>	-27.91%
Total net position	<u>\$ (8,078)</u>	<u>\$ (11,554)</u>	30.08%

## FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

### Changes in Net Position

The School District paid down \$3,275,000 in long-term debt during 2023-2024.

The School District's fiscal year 2024 revenue totaled \$52,405,093 (see Table A-4). Property taxes and state aid accounted for most of the School District's revenue by contributing 47% and 38%, respectively, of every dollar raised (see Table A-5). The remainder came from fees charged for services, interest earnings, and other miscellaneous sources.

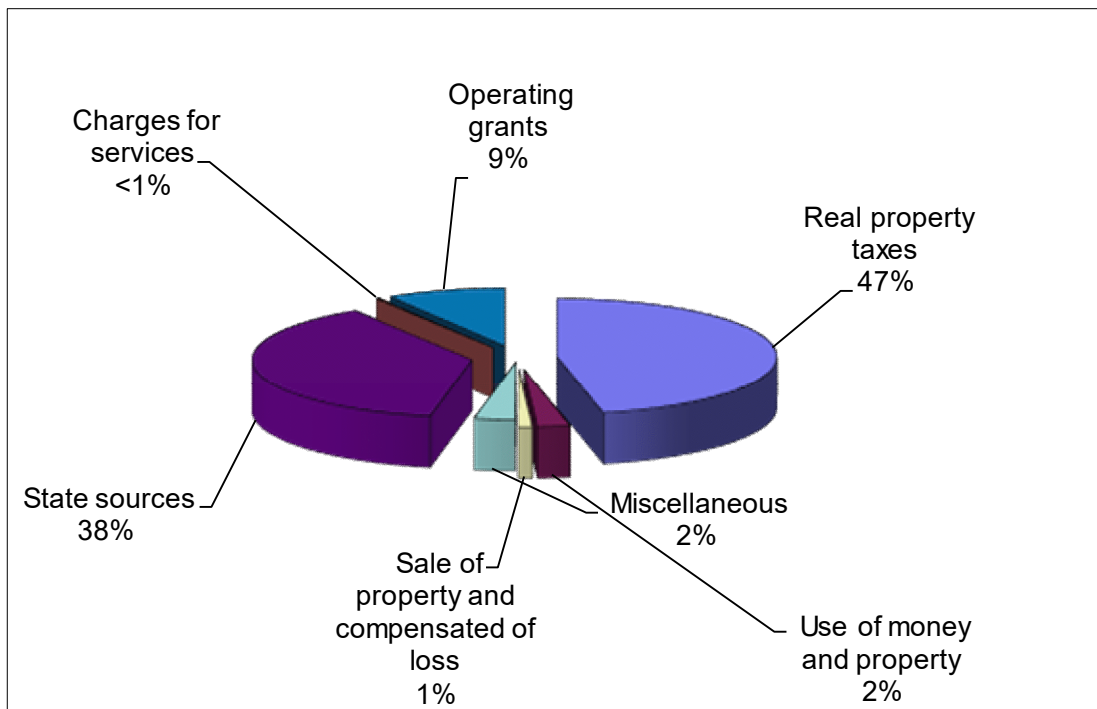
The total cost of all programs and services totaled \$49,676,263 for fiscal year 2024.

### Figure A-4 Changes in Net Position from Operating Results (In Thousands of Dollars)

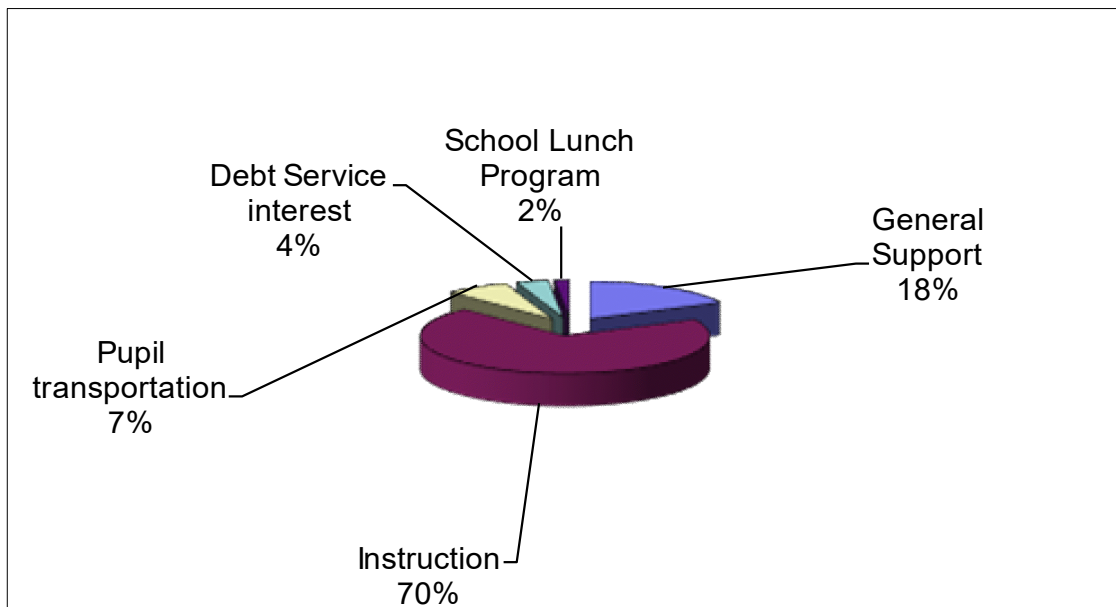
	<u>Fiscal Year</u> <u>2024</u>	<u>Fiscal Year</u> <u>2023</u>	<u>Percent</u> <u>Change</u>
Revenue:			
Charges for services	\$ 86	\$ 85	1.58%
Operating grants	4,578	4,413	3.73%
General revenue:			
Property taxes	24,436	23,869	2.38%
Use of money and property	1,250	235	431.82%
Sale of property and compensation for loss	541	565	-4.26%
State aid	19,948	19,280	3.46%
Medicaid reimbursement	-	245	-100.00%
Miscellaneous	1,566	382	309.88%
Total revenue	<u>52,405</u>	<u>49,074</u>	6.79%
Expenses:			
General support	8,791	6,897	27.46%
Instruction	34,764	35,945	-3.28%
Transportation	3,524	3,290	7.10%
Debt service - Interest	1,770	1,701	4.09%
School Lunch Program	827	226	265.71%
Other Expenses	-	615	-100.00%
Total expenses	<u>49,676</u>	<u>48,674</u>	2.06%
Change in net position	<u><u>2,729</u></u>	<u><u>400</u></u>	-582.21%

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)**

**Figure A-5: Revenue Sources for 2024:**



**Figure A-6: Sources of Expenses for 2024:**



## FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

### Governmental Activities

Revenue for the School District's governmental activities totaled \$52,405,093 while total expenses were \$49,676,263. Accordingly, net position increased by \$2,728,830. The School District's current year financial condition can be attributed to:

- Continued requirement to record OPEB liability in accordance with GASB 75.
- Deferred outflows and inflows recorded in accordance with GASBs 68 and 71.
- Long range planning on the part of the administration.
- Community support of the School District, as evidenced by its approval of the School District's annual budgets.
- Continuing state and federal aid.
- Use of services from BCOES and subsequent year's BOCES aid.

Figure A-7 presents the cost of several of the School District's major activities. The figure also shows each activity's net cost (total cost less fees generated by the activity and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the School District's taxpayers by each of these functions.

**Figure A-7 Net Cost of Governmental Activities (In Thousands of Dollars)**

	<b>Total Cost of Services 2024</b>	<b>Net Cost of Services 2024</b>	<b>Total Cost of Services 2023</b>	<b>Net Cost of Services 2023</b>
General support	\$ 8,791	\$ 8,791	\$ 6,897	\$ 6,897
Instruction	34,764	30,968	35,945	32,035
Pupil transportation	3,524	3,524	3,290	3,290
Debt service - Interest	1,770	1,770	1,701	1,701
School Lunch Program	827	(41)	226	226
Other Expenses	-	-	615	27
	<u>\$ 49,676</u>	<u>\$ 45,012</u>	<u>\$ 48,674</u>	<u>\$ 44,176</u>

The cost of all governmental activities for the year was \$49,676,263.

- The users of the School District's programs financed \$86,340 of the costs through charges for services.
- The federal and state government financed \$4,577,808 of the costs through operating grants.
- The majority of costs were financed by the School District's taxpayers and unallocated NYS aid.

## FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Variations between years for the governmental fund financial statements are not the same as variations between years for the school-wide financial statements. The School District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Under this method of presentation, governmental funds do not include long-term liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include proceeds from the issuance of debt, the current payments for capital assets, and the current payments for debt.

### Governmental Funds Highlights

**General Fund** – The School District's budget is prepared in accordance with New York State law and is based on the modified accrual basis of accounting, utilizing cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

The original budget for the General Fund was revised by \$47,232 during the year. The supplemental appropriations consist of 49,888,670 and carryover encumbrances from the prior year (\$169,735).

## FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)

### Governmental Funds Highlights (Continued)

In the General Fund for the year-ended, June 30, 2024, actual revenues exceeded expenditures by \$956,153. Significant revenue sources include Real Property Taxes, STAR Reimbursement and Other Tax Items (\$24,436,471), and State Aid (\$19,948,010). New York State operating aid is tied to the growth in New York State personal income and the available funds in the state budget. Actual expenditures and encumbrances were \$3,349,364 less than revised budget. For the fiscal year 2024-2025, the School District has appropriated \$3,438,121 of fund balance to reduce the tax levy.

The total fund balance in the General Fund increased by \$956,153, during the 2023-2024 school year. At June 30, 2024, unassigned fund balance amounts to \$1,294,003, total assigned fund balance amounts to \$4,468,605, and total restricted fund balance amounts to \$11,893,263.

Special Aid Fund – The School District expenditures of \$3,648,144 were funded primarily by state and federal grants.

School Lunch Fund – The fund ended the year with a fund balance of \$10,657, which is an increase of \$99,290 from prior year. The main factor for the increase in the school lunch fund is due to higher sales, an increase on the reimbursement rate and an increase in the interest of the investment account.

Capital Projects Fund – The fund ended the year with a deficit fund balance of (\$725,733), an increase of \$1,709,323 from prior year. The increase in fund balance is caused by the capital projects expenditures from bond proceeds issued in 2023-2024.

Debt Service Fund – The fund ended the year with a fund balance of \$434,724.

Miscellaneous Special Revenue Fund – The fund ended the year with a fund balance of \$821,656. This fund includes scholarships, extracurricular activities and donations.

### General Fund Budgetary Highlights

This section presents an analysis of significant variances between original and final budget amounts and between final budget amounts and actual results for the general fund.

#### Revenue Variances

- Revenues are more than budgeted primarily due to increased NYS aid and interest earnings.

#### Expenditure Variances

- The School District has a net favorable budgetary surplus of \$3,671,827. Significant budgetary variances include:
  - Pupil Services: \$649,949 due to administrative and instructional staff reductions due to the needs of the student body including declining enrollment.
  - Employee Benefits: \$860,323 due to utilization of federal grant funding and reduction in workforce.
  - Programs for Children with Handicapping Conditions: \$420,282 due to declining enrollment that resulted in administrative and instructional reduction.
  - Regular School Teaching: \$659,326 due to declining enrollment that resulted in administrative and instructional staff reduction.

## FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)

### General Fund Budgetary Highlights (Continued)

#### Figure A-8 Results vs. Budget (In Thousands of Dollars)

The general fund is the only fund for which a budget is legally adopted.

	Original Budget	Final Budget	Actual	Encumbrances	Variance (Actual/Budget)
Revenue:					
Local sources	\$ 25,665	\$ 25,712	\$ 26,476	\$ -	\$ 764
State sources	20,548	20,548	19,948	-	(600)
Federal sources	100	100	257	-	157
Total	<u>46,312</u>	<u>46,359</u>	<u>46,681</u>	<u>-</u>	<u>321</u>
Expenditures:					
General support	5,102	5,911	5,672	319	(81)
Instruction	24,517	24,490	21,747	684	2,059
Transportation	3,543	3,365	3,258	27	80
Employee benefits	10,450	10,062	9,202	-	860
Debt service - Interest	2,172	2,184	2,145	-	39
Debt service - Principal	3,880	3,868	3,488	-	380
Total	<u>49,664</u>	<u>49,881</u>	<u>45,512</u>	<u>1,030</u>	<u>3,338</u>
Other financing sources (uses)					
Proceeds from issuance of lease	-	-	1	-	(1)
Transfer in	-	-	-	-	-
Transfers out	(225)	(225)	(214)	-	(11)
Total	<u>(225)</u>	<u>(225)</u>	<u>(212)</u>	<u>-</u>	<u>(13)</u>
Revenue over/under expenditures	<u>\$ (3,576)</u>	<u>\$ (3,746)</u>	<u>\$ 956</u>	<u>\$ (1,030)</u>	<u>\$ 3,672</u>

The General Fund is the only fund for which a budget is legally adopted. The School District's 2023-2024 actual revenue was more than its budgeted revenue by \$322,463 due primarily to additional property tax, state aid, the BOCES refund and interest earnings.

The School District's 2023-2024 expenditures, including encumbrances, were under expended by \$3,349,364 due in most part to savings in utility and fuel costs, savings in employee salary and benefits, and significant savings by shifting general fund expenses to expiring federal grant programs.

#### Capital Assets

At the end of 2024, the School District had an investment of \$76,689,674 in a broad range of capital assets.

Figure A-9 presents the School district's investment in capital assets, net of accumulated depreciation, as of June 30, 2024 and June 30, 2023.

## FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)

**Figure A-9 Capital Assets (Net of Depreciation in Thousands)**

	Fiscal Year <u>2024</u>	Fiscal Year <u>2023</u>
Land	\$ 220	\$ 220
Buildings and improvements	72,825	34,912
Construction in progress	811	33,795
Land improvements	1,692	457
Machinery and equipment	417	551
Lease equipment/software	725	680
Total	<u>\$ 76,690</u>	<u>\$ 70,615</u>

The increase in capital assets during the current fiscal year is a result of the remaining balance of the \$40,000,000 capital project being completed.

### Long-Term Liabilities

As of June 30, 2024, the School District had \$94,772,815 in long-term liabilities. Detailed information about the School District's long-term liabilities is included in the notes to the financial statements.

**Figure A-9 Outstanding Long-Term Liabilities (In Thousands of Dollars)**

	Fiscal Year <u>2024</u>	Fiscal Year <u>2023</u>
General obligation bonds	\$ 42,134	\$ 37,143
Compensated absences	1,391	1,407
Lease obligations	161	13
Net pension liabilities	2,578	3,985
Total other postemployment benefits	<u>48,509</u>	<u>48,200</u>
Total	<u>\$ 94,773</u>	<u>\$ 90,748</u>

During 2024, the School District paid down its long-term bonded debt by \$3,275,000 and issued an additional \$8,685,000 of long-term bonded debt. Further the School District's OPEB liability increased by \$308 thousand due to the net effect of changes in actuarial assumptions.

### FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the School District was aware of the following existing conditions that could significantly affect its financial health in the future:

- Health insurance rates are expected to continually increase and affect the School District's financial health.
- Impact of unstable NYS Budget in uncertain economic environment could negatively impact the School District's state aid.
- The School District's property (school) tax increase has been limited to the tax cap legislation calculation.
- Costs of addressing the zero-emissions vehicles from NYS that requires purchase of only zero-emission buses beginning in 2027 under current legislation.

## **CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

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

Brett Miller  
Assistant Superintendent for Business  
Catskill Central School District  
343 West Main Street  
Catskill, New York 12414

**CATSKILL CENTRAL SCHOOL DISTRICT****STATEMENT OF NET POSITION  
JUNE 30, 2024****ASSETS**

## CURRENT ASSETS:

Cash and cash equivalents - unrestricted	\$ 5,094,751
Cash and cash equivalents - restricted	12,278,381
Accounts receivable	64,899
State and federal aid receivable	2,845,070
Due from other governments	550,353
Inventory	<u>18,063</u>
Total current assets	<u>20,851,517</u>

## NONCURRENT ASSETS:

Capital assets, net	<u>76,689,674</u>
---------------------	-------------------

## TOTAL ASSETS

97,541,191**DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflows of resources - ERS	1,379,939
Deferred outflows of resources - TRS	6,224,570
Deferred outflows of resources - OPEB	7,454,714
Deferred outflows of resources - refunding	<u>383,694</u>

## Total Deferred Outflows of Resources

15,442,917

## TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

112,984,108**LIABILITIES**

## CURRENT LIABILITIES:

Accounts payable and accrued liabilities	862,341
Unearned revenue	76,078
Due to Teachers' Retirement System	1,572,122
Due to Employees' Retirement System	143,771
Bond interest accrual	116,504
Due to other governments	30
Total other postemployment benefits liability due within one year	1,090,309
Lease payable due within one year	79,226
Bonds payable due within one year	<u>2,780,000</u>

## Total current liabilities

6,720,381

## LONG-TERM LIABILITIES:

Lease payable, net current portion	81,538
Bonds payable, net of current portion	36,255,000
Bonds premium, net	3,099,429
Total other postemployment benefits liability	47,418,475
Net pension liability - ERS	1,658,751
Net pension liability - TRS	919,148
Compensated absences	<u>1,390,939</u>

## Total long-term liabilities

90,823,280

## TOTAL LIABILITIES

97,543,661**DEFERRED INFLOWS OF RESOURCES**

Deferred inflows of resources - ERS	892,680
Deferred inflows of resources - TRS	455,114
Deferred inflows of resources - OPEB	<u>22,171,042</u>

## Total Deferred Inflows of Resources

23,518,836

## TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

121,062,497**NET POSITION**

Net investment in capital assets	34,794,331
Restricted	12,262,225
Unrestricted	<u>(55,134,945)</u>

## TOTAL NET POSITION

\$ (8,078,389)

**CATSKILL CENTRAL SCHOOL DISTRICT**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Expenses</u>	<u>Program Revenue</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants</u>	
FUNCTIONS/PROGRAMS:				
General support	\$ 8,791,084	\$ -	\$ -	\$ (8,791,084)
Instruction	34,764,497	-	3,796,482	(30,968,015)
Pupil transportation	3,523,690	-	-	(3,523,690)
Debt service interest	1,770,491	-	-	(1,770,491)
School lunch program	<u>826,501</u>	<u>86,340</u>	<u>781,326</u>	<u>41,165</u>
<b>TOTAL FUNCTIONS/PROGRAMS</b>	<b><u>\$ 49,676,263</u></b>	<b><u>\$ 86,340</u></b>	<b><u>\$ 4,577,808</u></b>	<b><u>(45,012,115)</u></b>
GENERAL REVENUE:				
Real property taxes				24,436,471
Use of money and property				1,249,782
Sale of property and compensation for loss				540,956
Miscellaneous				1,565,726
State sources				<u>19,948,010</u>
<b>TOTAL GENERAL REVENUE</b>				<b><u>47,740,945</u></b>
<b>CHANGE IN NET POSITION</b>				<b><u>2,728,830</u></b>
NET POSITION - beginning of year, as previously reported				(11,554,383)
RESTATEMENT (Note 18)				<u>747,164</u>
NET POSITION - beginning of year, as restated				<u>(10,807,219)</u>
NET POSITION - end of year				<b><u>\$ (8,078,389)</u></b>

The accompanying notes are an integral part of these statements.

**CATSKILL CENTRAL SCHOOL DISTRICT**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2024**

	<u>General</u>	<u>Special Aid</u>	<u>Capital Projects</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents - unrestricted	\$ 4,990,808	\$ -	\$ -	\$ 103,943	\$ 5,094,751
Cash and cash equivalents - restricted	11,893,263	-	16,156	368,962	12,278,381
Accounts receivable	64,899	-	-	-	64,899
Due from other funds	3,319,536	267,579	550,000	969,083	5,106,198
State and federal aid receivable	1,176,782	1,539,661	-	128,627	2,845,070
Due from other governments	550,353	-	-	-	550,353
Inventory	-	-	-	18,063	18,063
<b>TOTAL ASSETS</b>	<b><u>\$ 21,995,641</u></b>	<b><u>\$ 1,807,240</u></b>	<b><u>\$ 566,156</u></b>	<b><u>\$ 1,588,678</u></b>	<b><u>\$ 25,957,715</u></b>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ 748,248	\$ 17,037	\$ -	\$ -	\$ 765,285
Accrued Liabilities	97,056	-	-	-	97,056
Unearned revenue	10,994	61,367	-	3,717	76,078
Due to other funds	1,767,579	1,728,836	1,291,889	317,894	5,106,198
Due to other governments	-	-	-	30	30
Due to Teachers' Retirement System	1,572,122	-	-	-	1,572,122
Due to Employees' Retirement System	143,771	-	-	-	143,771
<b>TOTAL LIABILITIES</b>	<b><u>\$ 4,339,770</u></b>	<b><u>\$ 1,807,240</u></b>	<b><u>\$ 1,291,889</u></b>	<b><u>\$ 321,641</u></b>	<b><u>\$ 7,760,540</u></b>

(Continued)

The accompanying notes are an integral part of these statements.

**CATSKILL CENTRAL SCHOOL DISTRICT**

**BALANCE SHEET - GOVERNMENTAL FUNDS (Continued)**  
**JUNE 30, 2024**

	General	Special Aid	Capital Projects	Non-Major Funds	Total Governmental Funds
FUND BALANCE:					
Nonspendable:					
Inventory	\$ -	\$ -	\$ -	\$ 18,063	\$ 18,063
Total nonspendable fund balance	-	-	-	18,063	18,063
Restricted:					
Unemployment reserve	321,646	-	-	-	321,646
Retirement contributions - ERS	1,616,055	-	-	-	1,616,055
Retirement contributions - TRS	1,554,881	-	-	-	1,554,881
Employee benefits and accrued liabilities	1,390,939	-	-	-	1,390,939
Capital projects	4,015,813	-	-	-	4,015,813
Tax certiorari	334,932	-	-	-	334,932
Liability reserve	149,939	-	-	-	149,939
Repair reserve	1,739,657	-	-	-	1,739,657
Debt service	-	-	-	115,641	115,641
Worker's compensation reserve	769,401	-	-	-	769,401
Other	-	-	-	253,321	253,321
Total restricted fund balance	11,893,263	-	-	368,962	12,262,225
Assigned:					
Unappropriated	1,030,484	-	-	887,418	1,917,902
Appropriated for subsequent year expenditures	3,438,121	-	-	-	3,438,121
Total assigned fund balance	4,468,605	-	-	887,418	5,356,023
Unassigned	1,294,003	-	(725,733)	(7,406)	560,864
TOTAL FUND BALANCE	17,655,871	-	(725,733)	1,267,037	18,197,175
TOTAL LIABILITIES AND FUND BALANCE	\$ 21,995,641	\$ 1,807,240	\$ 566,156	\$ 1,588,678	\$ 25,957,715

The accompanying notes are an integral part of these statements.

## CATSKILL CENTRAL SCHOOL DISTRICT

### RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO GOVERNMENT-WIDE NET POSITION JUNE 30, 2024

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

Total governmental fund balance	\$ 18,197,175
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	76,689,674
Pension related government wide activity:	
Deferred outflows - ERS/TRS	7,604,509
Deferred inflows - ERS/TRS	(1,347,794)
Net pension liability - ERS/TRS	(2,577,899)
OPEB related government wide activity:	
Deferred outflows of resources	7,454,714
Deferred inflows of resources	(22,171,042)
Total OPEB liability	(48,508,784)
Long-term bonds payable and lease payable are not due in the current period and, therefore, are not reported in the funds	(39,195,764)
Bond premium is recorded as revenue in the fund financial statements, but is amortized over the life of the bond under full accrual accounting.	(3,099,429)
Deferred amount on bond refundings in governmental-wide statements using the full accrual method of accounting, not recognized on the fund financial statements, which use the modified accrual method	383,694
Long-term liabilities, including compensated absences is not due and payable in the current period and, therefore, are not reported in the funds	(1,390,939)
Interest payable is to be recorded in the government-wide statements under full accrual accounting	<u>(116,504)</u>
<b>TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ (8,078,389)</u></b>

The accompanying notes are an integral part of these statements.

**CATSKILL CENTRAL SCHOOL DISTRICT**

**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024**

	General	Special Aid	Capital Projects	Non-Major Funds	Total Governmental Funds
<b>REVENUE:</b>					
Real property taxes	\$ 24,436,471	\$ -	\$ -	\$ -	\$ 24,436,471
Use of money and property	1,055,470	-	-	194,312	1,249,782
Sale of property and compensation for loss	540,956	-	-	-	540,956
Miscellaneous	442,864	-	6,056	174,280	623,200
State sources	19,948,010	716,619	-	121,823	20,786,452
Federal sources	256,907	2,822,956	-	659,503	3,739,366
Sales - School lunch	-	-	-	86,340	86,340
	<u>46,680,678</u>	<u>3,539,575</u>	<u>6,056</u>	<u>1,236,258</u>	<u>51,462,567</u>
<b>EXPENDITURES:</b>					
General support	5,672,006	-	-	-	5,672,006
Instruction	21,747,334	3,468,901	-	-	25,216,235
Pupil transportation	3,258,245	179,243	-	-	3,437,488
Employee benefits	9,201,694	-	-	100,104	9,301,798
Debt service - Interest	2,144,697	-	-	-	2,144,697
Debt service - Principal	3,488,244	-	-	-	3,488,244
Cost of sales	-	-	-	639,499	639,499
Capital outlay	-	-	7,981,733	-	7,981,733
Other	-	-	-	408,676	408,676
	<u>45,512,220</u>	<u>3,648,144</u>	<u>7,981,733</u>	<u>1,148,279</u>	<u>58,290,376</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<u>1,168,458</u>	<u>(108,569)</u>	<u>(7,975,677)</u>	<u>87,979</u>	<u>(6,827,809)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
BANs redeemed from appropriations	-	-	135,000	-	135,000
Premium on issuance of debt	-	-	765,000	177,526	942,526
Proceeds from debt	-	-	8,685,000	-	8,685,000
Proceeds from the issuance of leases	1,264	-	-	-	1,264
Operating transfers in	-	108,569	100,000	5,000	213,569
Operating transfers (out)	(213,569)	-	-	-	(213,569)
	<u>(212,305)</u>	<u>108,569</u>	<u>9,685,000</u>	<u>182,526</u>	<u>9,763,790</u>
<b>EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<u>956,153</u>	<u>-</u>	<u>1,709,323</u>	<u>270,505</u>	<u>2,935,981</u>
FUND BALANCE - beginning of year, as previously reported	16,699,718	-	(2,435,056)	249,368	14,514,030
RESTATEMENT (Note 18)	-	-	-	747,164	747,164
FUND BALANCE - beginning of year, as restated	<u>16,699,718</u>	<u>-</u>	<u>(2,435,056)</u>	<u>996,532</u>	<u>15,261,194</u>
FUND BALANCE - end of year	<u>\$ 17,655,871</u>	<u>\$ -</u>	<u>\$ (725,733)</u>	<u>\$ 1,267,037</u>	<u>\$ 18,197,175</u>

The accompanying notes are an integral part of these statements.

**CATSKILL CENTRAL SCHOOL DISTRICT**

**RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024**

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Net changes in fund balance - Total governmental funds	\$ 2,935,981
Capital outlays, net of disposals, are expenditures in governmental funds, but are capitalized in the statement of net position.	7,972,773
Depreciation is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.	(1,937,539)
Amortization is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities .	(186,320)
Leases are expenditures in governmental funds, net of disposals, but are capitalized in the statement of net position.	225,969
Repayments of long-term debt, including leases, are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position.	3,353,244
Bond premiums amortization is not recorded as revenue in the governmental funds, but is recorded in the statement of activities.	418,113
Deferred amount on bond refunding amortization is not recorded as expenditures in the governmental funds, but are recorded in the statement of activities.	(60,643)
Proceeds of long-term debt are recorded as other financing sources in the governmental funds, but are recorded as liabilities in the statement of net position.	(8,685,000)
Issuance of long-term lease liabilities are recorded as expenditures in the governmental funds, but are recorded as a liability in the statement of net position.	(225,969)
Compensated absences do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds.	15,708
Other postemployment benefits do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds.	345,841
Pension expense resulting from GASB 68 related reporting is not recorded as an expenditure in the government funds but is recorded in the statement of activities.	(1,460,064)
Compensated absences do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds.	<u>16,736</u>
Change in net position - Governmental activities	<u>\$ 2,728,830</u>

The accompanying notes are an integral part of these statements.

**CATSKILL CENTRAL SCHOOL DISTRICT**

**Statement of Net Position - Fiduciary Funds  
JUNE 30, 2024**

	Custodial Fund	Private Purpose Trust Fund
<b>ASSETS:</b>		
Cash	\$ -	\$ -
Total assets	-	-
<b>LIABILITIES:</b>		
Other liabilities	-	-
Total liabilities	-	-
<b>NET POSITION:</b>		
Restricted for others	\$ -	\$ -

**CATSKILL CENTRAL SCHOOL DISTRICT**

**Statement of Changes in Net Position - Fiduciary Funds  
FOR THE YEAR ENDED JUNE 30, 2024**

	Custodial Fund	Private Purpose Trust Fund
<b>ADDITIONS:</b>		
Tax collections for other governments	\$ 960,901	\$ -
PILOT collections for the other governments	69,656	-
Total additions	1,030,557	-
<b>DEDUCTIONS:</b>		
Payments of tax to other governments	960,901	-
Payments of PILOT to other governments	69,656	-
Total deductions	1,030,557	-
NET INCREASE	-	-
NET POSITION - beginning of year, as previously reported	63,500	683,664
RESTATEMENT (Note 18)	(63,500)	(683,664)
FUND BALANCE - beginning of year, as restated	-	-
NET POSITION - end of year	\$ -	\$ -

The accompanying notes are an integral part of these statements.

# CATSKILL CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

---

### 1. NATURE OF OPERATIONS

Catskill Central School District provides K-12 public education to students living within its geographic borders.

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

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

#### **Reporting Entity**

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

The reporting entity of the School District is based upon criteria set forth by generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

#### **Extraclassroom Activity Funds**

The extraclassroom activity funds of the School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. Separate audited financial statements, (cash basis) of the extraclassroom activity funds can be found at the School District's business office. The School District accounts for assets held as an agent for various student organizations in the Miscellaneous Special Revenue fund.

## 1. NATURE OF OPERATIONS (Continued)

### Joint Venture

The School District is a component School District of the Rensselaer-Columbia-Greene Board of Cooperative Education Services (BOCES). BOCES is a voluntary, cooperative association of School Districts in a geographic area that shares planning, services, and programs which provide educational and support activities. There is no authority or process by which a School District can terminate its status as a BOCES component.

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

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 the New York State Education Law, §1950(4)(b)(7). In addition, component School Districts pay tuition or a service fee for programs in which its students participate.

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

## 2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

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

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

### Basis of Presentation

The School District's financial statements consist of School District-wide financial statements, including a Statement of Net Position and a Statement of Activities, and fund level financial statements which provide more detailed information.

### School-Wide Statements

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

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

## 2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Fund Financial Statements**

The School District uses funds to maintain its accounting records. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

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

The accounts of the School District are organized into funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenue, and expenditures. The various funds are summarized by type in the financial statements. Significant transactions between funds within a fund type have been eliminated.

### **Governmental Fund Types**

Governmental funds are those in which most governmental functions of the School District are reported. The acquisition, use, and balances of the School District's expendable financial resources and the related liabilities are accounted for through the governmental funds. The measurement focus is upon determination of changes in financial position rather than upon determination of net income.

The School District reports the following major governmental funds:

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

*Special Aid Fund:* These funds account for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

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

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

*School Lunch Fund:* This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for school lunch operations. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

*Miscellaneous Special Revenue Fund:* This fund accounts for proceeds from various funding sources, which may be restricted by donors or designated by the School District for specific purposes. The transactions of the Extraclassroom Activity Funds and scholarships are included in this fund.

*Debt Service Fund:* This fund is used to account for and report on the accumulation of resources to be used for redemption of general long-term indebtedness.

## 2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Fiduciary Fund Types**

Fiduciary funds are used to account for assets held by the School District as an agent for individuals, private organizations, other governmental units, and/or other fund because their resources do not belong to the School District and are not available to be used.

There is one type of fiduciary fund:

*Custodial Fund:* This fund is strictly custodial in nature and does not involve the measurement of results of operations. Assets are held by the School District as an agent for various groups.

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

Measurement focus refers to what is being measured, whereas basis of accounting refers to when revenues and expenditures are recognized. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The School-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place.

Non-exchange transactions in which the School District gives or receives value without directly receiving or giving equal value in exchange include property taxes, grants, and donations.

On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

### **Restricted Cash and Cash Equivalents**

Restricted cash represents cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purpose.

### **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 are recognized as earned or as specific program expenditures are incurred. Allowances are recorded only when appropriate.

## 2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Property Taxes**

Real property taxes are levied annually by the board of education no later than September 1, and become a lien on 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. The County guarantees the full payment of the School District warrant and assumes responsibility for uncollected taxes.

### **Inventory and Prepaid Items**

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

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

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

### **Interfund Transactions**

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

In the School-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different funds. Eliminations have been made for all interfund receivables and payables between the funds.

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

Refer to Note 11 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

## 2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Capital Assets, Net

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land	\$ 5,000	N/A	N/A
Buildings and improvements	5,000	SL	5-40
Machinery and equipment	5,000	SL	5-40

Capital assets also include lease assets with term greater than one year. The School District does not implement a capitalization threshold for lease assets. Lease assets are amortized on a straight-line basis over the term of the lease.

### Vested Employee Benefits

#### Compensated absences

Compensated absences consist of unpaid accumulated annual sick leave and vacation time. Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave.

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

The liability has been calculated using the vesting/termination method and an accrual for that liability is included in the School District-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

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

#### Other Benefits

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

### Other Postemployment Benefits

In addition to providing the pension benefits described, the School District provides postemployment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contracts negotiated between the School District and its employee groups. Substantially all of these employees may become eligible for these benefits if they reach normal retirement age while working for the School District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the School District and the retired employee.

## 2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Deferred Outflows and Inflows of Resources**

In addition to assets and liabilities, the Balance Sheet and Statement of Net Position will sometimes report a separate section of deferred outflows/inflows of resources. The separate financial statement element, deferred outflows/inflows of resources, represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

### **Unearned Revenue**

Unearned revenue is reported when potential revenue meets both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the School District before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the School District has legal claim to the resources, the liability for unearned revenue is removed and revenue is recorded.

Statute provides the authority for the School District to levy taxes to be used to finance expenditures within the first 60 days of the succeeding fiscal year. Consequently, such amounts are recognized as revenue in the subsequent fiscal year rather than when measurable and available.

Unearned revenue recorded in governmental funds is generally not recorded in the School-wide statements.

### **Short Term Debt**

The School District may issue Bond Anticipation Notes (BANs), in anticipation of proceeds from the subsequent sale of a 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 to be converted to long-term financial within 5 years after the original issue date.

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

Payables, accrued liabilities, and long-term obligations are reported in the School-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources.

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.

### **Restricted Resources**

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

## 2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

### School District-wide Statements – Equity Classifications

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

Net investment in capital assets - consists of net capital assets, (cost less accumulated depreciation) plus unspent bond proceeds reduced by outstanding balances of related debt obligations from the acquisition, construction, or improvements of those assets.

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

Restricted net position consists of the following:

Unemployment reserve	\$ 321,646
Retirement contributions - ERS	1,616,055
Retirement contributions - TRS	1,554,881
Employee benefits and accrued liabilities	1,390,939
Capital Projects	4,015,813
Tax certiorari	334,932
Liability reserve	149,939
Repair reserve	1,739,657
Debt service	115,641
Worker's compensation reserve	769,401
Other	253,321
Total:	<u>\$ 12,262,225</u>

Unrestricted net position - reports all other net position that do not meet the definition of the above two classifications and are deemed to be available for general use by the School District.

### Governmental Fund Financial Statements – Equity Classifications

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

Nonspendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually are required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the school lunch fund and prepaid expenditures in the general fund.

Restricted fund balance – 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 available the following restricted fund balances:

#### Capital Reserve

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

## 2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Governmental Fund Financial Statements – Equity Classifications (Continued)

#### Repair

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

#### Workers' Compensation

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

#### Unemployment Insurance

Unemployment insurance reserve (GML §6-m) is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the 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. This reserve is accounted for in the general fund under restricted fund balance.

#### Reserve for Debt Service

Mandatory reserve for debt service (GML §6-l) is used to establish a reserve for the purpose of retiring the outstanding obligations upon the sale of School District property or capital improvement that was financed by obligations which remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of School District property or capital improvement. The reserve is accounted for in the debt service fund under restricted fund balance.

#### Liability Claims and Property Loss

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

## 2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Governmental Fund Financial Statements – Equity Classifications (Continued)

#### Tax Certiorari Reserve

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

#### Employee Benefit Accrued Liability Reserve

Reserve for employee benefit accrued liability (GML §6-p) is used to reserve funds for the payment of accrued employee benefit due to an employee upon termination of the employee's service. This reserve may be established by a majority vote of the board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the general fund under restricted fund balance.

#### Employee Retirement Contribution

Employee Retirement Contribution Reserve (GML §6-r) is used for the purpose of financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the board. This reserve is accounted for in the general fund under restricted fund balance.

#### Encumbrances

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

Committed fund balance – Includes amounts that can 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, 2024.

Assigned fund balance – 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 \$1,030,484.

As of June 30, 2024, the School District's encumbrances were classified as follows:

General support	\$ 319,408
Instruction	684,331
Transportation	<u>26,745</u>
Total encumbrances	<u>\$ 1,030,484</u>

## 2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Governmental Fund Financial Statements – Equity Classifications (Continued)**

Unassigned fund balance - Includes all other general fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the School District.

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

### **Order of Fund Balance Spending Policy**

The School 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.

### **Use of Estimates**

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

## 3. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND SCHOOL-WIDE STATEMENTS

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

### **Total Fund Balance of Governmental Funds vs. Net Position of Governmental Activities**

Total fund balance of the School District's governmental funds differs 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 sheets.

### **Statement of Revenue, Expenditures, and Changes in Fund Balance vs. Statement of Activities**

Differences between the governmental funds statement of revenue, expenditures, and changes in fund balance and the statement of activities fall into one of three broad categories.

### 3. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND SCHOOL-WIDE STATEMENTS

#### Statement of Revenue, Expenditures, and Changes in Fund Balance vs. Statement of Activities (Continued)

##### Long-Term Revenue and Expense Differences

Long-term revenue differences arise because governmental funds report revenue only when it is considered available, whereas the statement of activities reports revenue when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the statement of activities.

##### Capital Related Differences

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

##### Long-Term Debt Transaction Differences

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net position.

##### Pension Differences

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

##### OPEB Differences

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

### 4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

#### **Budgets**

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

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

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year.

#### **4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

##### **Budgets (Continued)**

Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.

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

The General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2024.

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

##### **Fund Balance**

The School District's unassigned fund balance was in excess of the New York State Real Property Tax Law §1318 limit, which restricts it to an amount not greater than 4% of the School District's budget for the upcoming school year. The School District plans to address this issue in future budgets.

##### **Fund Deficits**

Portions of fund balances are restricted and not available for current expenditures, as reported in the governmental funds' balance sheet.

The Capital Project Fund has a deficit of \$725,733. The fund deficit in the Capital Project Fund will be eliminated in future years as interfund transfers are made from General Fund.

#### **5. CASH AND CASH EQUIVALENTS**

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

The School District participates in NYCLASS, a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law, whereby the School District holds a portion of the investments in cooperation with other participants. At June 30, 2024, the School District held \$272,182 in NYCLASS consisting of various investments in securities issued by the United States and its agencies. NYCLASS is rated 'AAAm' from Standard & Poor's Global Ratings. Amounts held with NYCLASS are highly liquid and the amount held represents the cost of the investment pool shares, which are considered to approximate fair value. Additional information concerning NYCLASS, including the annual report, can be found on its website [www.newyorkclass.org](http://www.newyorkclass.org).

## 5. CASH AND CASH EQUIVALENTS (Continued)

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

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash	\$ 16,835,926	\$ 17,100,950
Cash equivalents	<u>272,182</u>	<u>272,182</u>
	<u>\$ 17,108,108</u>	<u>\$ 17,373,132</u>
Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name	\$ 16,335,926	
Covered by FDIC insurance	<u>500,000</u>	
Total	<u>\$ 16,835,926</u>	

Restricted cash represents cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes.

Restricted cash consists of the following:

General fund:	
Unemployment reserve	\$ 321,646
Retirement contributions - ERS	1,616,055
Retirement contributions - TRS	1,554,881
Employee benefits and accrued liabilities	1,390,939
Capital Projects	4,015,813
Liability reserve	334,932
Repair reserve	149,939
Debt service	1,739,657
Worker's compensation reserve	769,401
	<u>\$ 11,893,263</u>
Capital Projects fund	<u>\$ 16,156</u>
Debt Service fund	<u>\$ 115,641</u>
Miscellaneous Special Revenue fund:	
Cash on deposit for scholarships and extraclassroom activity funds	<u>\$ 253,321</u>

## 6. PARTICIPATION IN BOCES

During the year, the School District was billed \$2,048,860 for BOCES administrative and program costs. The School District's share of BOCES aid amounted to \$1,222,777.

The financial statements for BOCES are available from the BOCES administrative office.

## 7. CAPITAL ASSETS, NET

Capital asset balances and activity for the year ended June 30, 2024, were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 219,670	\$ -	\$ -	\$ 219,670
Construction in progress	<u>33,795,056</u>	<u>7,810,733</u>	<u>40,795,000</u>	<u>810,789</u>
Total non-depreciable cost	<u>34,014,726</u>	<u>7,810,733</u>	<u>40,795,000</u>	<u>1,030,459</u>
Capital assets that are depreciated:				
Land improvements	1,903,295	1,300,000	-	3,203,295
Buildings and improvements	65,093,051	39,495,000	-	104,588,051
Machinery and equipment	<u>4,988,413</u>	<u>155,913</u>	<u>614,289</u>	<u>4,530,037</u>
Total depreciable historical cost	<u>71,984,759</u>	<u>40,950,913</u>	<u>614,289</u>	<u>112,321,383</u>
Less accumulated depreciation:				
Land improvements	1,446,186	65,085	-	1,511,271
Buildings and improvements	30,180,918	1,581,917	-	31,762,835
Machinery and equipment	<u>4,437,224</u>	<u>290,537</u>	<u>614,289</u>	<u>4,113,472</u>
Total accumulated depreciation	<u>36,064,328</u>	<u>1,937,539</u>	<u>614,289</u>	<u>37,387,578</u>
Lease assets, being amortized				
Intangible Right-to-Use Lease - Equipment	<u>1,034,823</u>	<u>225,969</u>	<u>136,719</u>	<u>1,124,073</u>
Total lease assets, being amortized	<u>1,034,823</u>	<u>225,969</u>	<u>136,719</u>	<u>1,124,073</u>
Less accumulated amortization				
Intangible Right-to-Use Lease - Equipment	<u>355,189</u>	<u>186,320</u>	<u>142,846</u>	<u>398,663</u>
Total accumulated amortization	<u>355,189</u>	<u>186,320</u>	<u>142,846</u>	<u>398,663</u>
Total governmental activities capital asset, net	<u>\$ 70,614,791</u>	<u>\$ 46,863,756</u>	<u>\$ 40,788,873</u>	<u>\$ 76,689,674</u>

Depreciation and amortization expense for the year ended June 30, 2024, was allocated to specific functions as follows:

	<u>Depreciation</u>	<u>Amortization</u>
General support	\$ 545,213	\$ -
Instruction	1,379,371	186,320
Pupil transportation	<u>12,955</u>	<u>-</u>
Total	<u>\$ 1,937,539</u>	<u>\$ 186,320</u>

## 8. SHORT-TERM DEBT

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

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

The School District may issue Bond Anticipation Notes (BANs), 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.

At June 30, 2024, the School District had the following BANs outstanding:

BAN	Issued	Maturity	Interest Rate	Beginning Balance	Issued	Principal Paid	BANS Redeemed	Ending Balance
District-Wide Renovations and Improvements	6/30/2023	6/28/2024	3.84%	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	\$ -
District-Wide Renovations and Improvements	6/30/2023	6/28/2024	5.00%	8,585,000	-	135,000	8,450,000	-
				<u>\$ 9,585,000</u>	<u>\$ -</u>	<u>\$135,000</u>	<u>\$ 9,450,000</u>	<u>\$ -</u>

## 9. LONG-TERM DEBT

Interest on debt for the year was composed of:

Interest paid	\$ 2,144,697
Less: interest accrued in the prior year	(133,240)
Less: amortization expense on bond premium	(418,113)
Plus: interest accrued in the current year	116,504
Plus: amortization expense on refunding bonds	60,643
Total expense	<u>\$ 1,770,491</u>

## 9. LONG-TERM DEBT (Continued)

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

	July 01, 2023			June 30, 2024	Amounts Due Within	Long-term
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>	<u>One Year</u>	<u>Portion</u>
Government activities:						
Bonds and notes payable						
General obligation debt:						
Serial bonds	\$ 33,625,000	\$ 8,685,000	\$ 3,275,000	\$ 39,035,000	\$ 2,780,000	\$ 36,255,000
Bond premium	3,517,542	-	418,113	3,099,429	-	3,099,429
Other long-term debt:						
Compensated absences	1,406,647	- (A)	15,708	1,390,939	-	1,390,939
Lease obligations	13,039	225,969	78,244	160,764	79,226	81,538
Net pension liabilities	3,985,166	-	1,407,267	2,577,899	-	2,577,899
Total other postemployment benefits	<u>48,200,390</u>	<u>3,585,980</u>	<u>3,277,586</u>	<u>48,508,784</u>	<u>1,090,309</u>	<u>47,418,475</u>
Total long-term liabilities	<u>\$ 90,747,784</u>	<u>\$ 12,496,949</u>	<u>\$ 8,471,918</u>	<u>\$ 94,772,815</u>	<u>\$ 3,949,535</u>	<u>\$ 90,823,280</u>

(A) Additions and deletions to compensated absences are shown net because it is impractical to determine these amounts separately.

Issue dates, maturities, and interest rates on outstanding debt are as follows:

<u>Bond Issue</u>	<u>Issued</u>	<u>Maturity</u>	<u>Interest Rate</u>	June 30, 2024 <u>Balance</u>
Refunding Bond	2017	2032	5.00%	\$ 2,115,000
Refunding Bond	2022	2030	5.00%	5,185,000
Serial Bond	2022	2037	5.00%	22,550,000
Refunding Bond	2022	2026	5.00%	255,000
O&M Bond	2023	2027	3.00%	245,000
Serial Bond	2024	2040	5.00%	8,685,000
				<u>\$ 39,035,000</u>

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	2,780,000	1,593,473	\$ 4,373,473
2026	3,300,000	1,576,055	4,876,055
2027	3,245,000	1,449,845	4,694,845
2028	3,275,000	1,330,425	4,605,425
2029-2033	14,330,000	4,815,075	19,145,075
2034-2038	11,255,000	1,618,375	12,873,375
2039-2040	<u>850,000</u>	<u>23,000</u>	<u>873,000</u>
Totals	<u>\$ 39,035,000</u>	<u>\$ 12,406,248</u>	<u>\$ 51,441,248</u>

**9. LONG-TERM DEBT (Continued)**

During the fiscal year 2024, the School District issued a serial bond in the amount of \$8,685,000 which will mature in fiscal year 2040. The serial bond was issued to pay the School District's outstanding BAN payable amount as well as issuance costs related to the serial bond.

**10. LEASE ARRANGEMENTS**

The School District leases various equipment, primarily from Questar III BOCES. The leases do not contain renewal options. The leases have various inception dates and remaining terms of 48 months. Lease agreements are summarized as follows:

<u>Description</u>	<u>Interest Rate</u>	<u>Total Lease Liability</u>
Network Printer	2.88%	\$ 160,764
Total		<u>\$ 160,764</u>

Activity of lease liabilities for the year ended June 30, 2024, is summarized as follows:

<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
\$ 13,039	\$ 225,969	\$ 78,244	\$ 160,764	\$ 79,226

Annual requirements to amortize long-term obligations and related interest are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 79,226	\$ 3,789	\$ 83,015
2026	81,538	1,477	83,015
Total Future Payments	<u>\$ 160,764</u>	<u>\$ 5,266</u>	<u>\$ 166,030</u>

**11. INTERFUND BALANCES AND ACTIVITY**

Interfund receivables and payables, other than between governmental activities, are eliminated on the statement of net position.

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

## 11. INTERFUND BALANCES AND ACTIVITY (Continued)

The following is a summary of interfund activity:

	Interfund		Interfund	
	Receivable	Payable	Revenue	Expenditures
General fund	\$ 3,319,536	\$ 1,767,579	\$ -	\$ 213,569
Special Aid fund	267,579	1,728,836	108,569	-
School Lunch fund	150,000	317,894	5,000	-
Debt Service fund	319,083	-	-	-
Capital Projects fund	550,000	1,291,889	100,000	-
Misc. Special Revenue fund	500,000	-	-	-
Totals	<u>\$ 5,106,198</u>	<u>\$ 5,106,198</u>	<u>\$ 213,569</u>	<u>\$ 213,569</u>

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

## 12. PENSION PLANS

### New York State Employees' Retirement System

The School District participates in the New York State and Local Employee's Retirement System (ERS) also referred to as New York State and Local Retirement System (the System). This is a cost-sharing multiple-employer retirement system, providing retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), established to hold all net assets and record changes in plan net position allocated to the System. System benefits are established under the provisions of the New York Retirement and Social Security Law (RSSL). Once an employer elects to participate in the System, the election is irrevocable.

The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The system is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

### *Contributions*

The system is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27<sup>th</sup>, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) who generally contribute 3 percent 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 Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	ERS
2024	\$ 465,468
2023	366,879
2022	448,412

## 12. PENSION PLANS (Continued)

### New York State Employees' Retirement System (Continued)

#### **Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions**

At June 30, 2024, the School District reported a net pension liability of \$1,658,751 for its proportionate share of the ERS net pension liability. The net pension liability was measured as of March 31, 2024, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of April 1, 2023. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2024, the School District's proportion was 0.0112656%, which was a decrease from its proportion measured at June 30, 2023 of 0.000082%.

For the year ended June 30, 2024, the School District recognized pension expense of \$727,340. At June 30, 2024, the School District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Differences between expected and actual experience	\$ 534,282	\$ 45,230
Changes of Assumptions	627,136	-
Net difference between projected and actual earnings on pension plan investments	-	810,291
Changes in proportion and differences between the District's contributions and proportionate share of contributions	74,750	37,159
Contributions subsequent to the measurement date	143,771	-
Total	<u>\$ 1,379,939</u>	<u>\$ 892,680</u>

The School District recognized \$143,771 as deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2024 which will be recognized as an increase of the net pension liability in the year ending June 30, 2025.

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

Plan's Year Ending March 31,	2025	\$ (287,008)
	2026	315,744
	2027	490,218
	2028	<u>(175,466)</u>
		<u>\$ 343,488</u>

## 12. PENSION PLANS (Continued)

### New York State Employees' Retirement System (Continued)

#### **Actuarial Assumptions**

The total pension liability at March 31, 2024 was determined by using an actuarial valuation as of April 1, 2023, with update procedures used to roll forward the total pension liability to March 31, 2024. The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.90%
Salary scale	4.4 % indexed by service
Projected COLAs	1.5% compounded annually
Decrements	Developed from the Plan's 2020 experience study of the period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2021
Investment Rate of Return	5.9% compounded annually, net of investment expenses

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 and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of term</u>
Domestic Equity	32%	4.00%
International Equity	15%	6.85%
Private Equity	10%	7.25%
Real Estate	9%	4.60%
Opportunistic/ARS portfolio	3%	5.25%
Credit	4%	5.40%
Real Assets	3%	5.79%
Fixed Income	23%	1.50%
Cash	1%	0.25%
	<u>100%</u>	

#### **Discount Rate**

The discount rate used to calculate the total pension liability was 5.90%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Plan'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.

## 12. PENSION PLANS (Continued)

### New York State Employees' Retirement System (Continued)

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

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (4.90%) or 1% higher (6.90%) than the current rate:

	1% Decrease (4.90%)	Current Discount (5.90%)	1% Increase (6.90%)
Employer's Proportionate Share of Net Pension Liability (Asset)	<u>\$ 5,215,283</u>	<u>\$ 1,658,751</u>	<u>\$ (1,311,691)</u>

#### **Pension Plan Fiduciary Net Position**

The components of the pension plan's net pension liability as of March 31, 2024, was as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	\$ 240,696,851
Net position	225,972,801
Net pension liability (asset)	<u>\$ 14,724,050</u>
ERS net position as a percentage of total pension liability	93.88%

### New York State Teachers' Retirement System

The School District participates in the New York State Teachers' Retirement System (NYSTRS). This is a cost-sharing, multiple employer public employee retirement system. The system offers a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

The New York State Teachers' Retirement Board administers NYSTRS. The system provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for the system. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

#### *Contributions*

The System is noncontributory for the employees who joined prior to July 27, 1976. For employees who joined the System after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the System more than ten years are no longer required to contribute. For employees who joined after January 1, 2010 and prior to April 1, 2012, contributions of 3.5% are paid throughout their active membership.

For employees who joined after April 1, 2012, required contributions of 3.5% of their salary are paid until April 1, 2013 and they then contribute 3% to 6% of their salary throughout their active membership. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for NYSTRS.

## 12. PENSION PLANS (Continued)

### New York State Teachers' Retirement System (Continued)

#### *Contributions (Continued)*

The School District is required to contribute at an actuarially determined rate. The School District contributions made to the systems were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

	<u>TRS</u>
2024	\$ 1,431,973
2023	1,403,896
2022	1,319,149

#### **Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions**

At June 30, 2024, the School District reported a net pension liability of \$919,148 for its proportionate share of the NYSTRS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of June 30, 2022. The School District's proportion of the net pension liability was based on a projection of the School Districts' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2024 the School District's proportionate share was 0.080374%, which was a decrease from its proportion measured at June 30, 2023 of 0.000491%.

For the year ended June 30, 2024, the School District recognized pension expense of \$2,645,113. At June 30, 2024 the School District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,228,690	\$ 5,508
Changes of Assumptions	1,978,900	431,290
Net difference between projected and actual earnings on pension plan investments	469,850	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	115,157	18,316
Contributions subsequent to the measurement date	<u>1,431,973</u>	<u>-</u>
Total	<u>\$ 6,224,570</u>	<u>\$ 455,114</u>

The School District recognized \$1,431,973 as a deferred outflow of resources related to pensions resulting from the School District's contributions subsequent to the measurement date of June 30, 2023, which will be recognized as an increase of the net pension liability in the year ending June 30, 2025.

## 12. PENSION PLANS (Continued)

### New York State Teachers' Retirement System (Continued)

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

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

Plan's Year Ending June 30,	2024	\$	402,893
	2025		(452,042)
	2026		3,726,705
	2027		292,118
	2028		227,627
	Thereafter		140,182
		\$	<u>4,337,483</u>

#### **Actuarial Assumptions**

The total pension liability at the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022, with update procedures used to roll forward the total pension liability to June 30, 2023. These actuarial valuations used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.40%
Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.

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

Projected COLAs	1.30% compounded annually
Investment Rate of Return	6.95% compounded annually, net of pension plan investment expense, including inflation.

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021, applied on a generational basis. Active member mortality rates are based on plan member experience.

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

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.

## 12. PENSION PLANS (Continued)

### New York State Teachers' Retirement System (Continued)

#### **Actuarial Assumptions (Continued)**

Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of the measurement date of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of term</u>
Domestic Equity	33%	6.80%
International Equity	15%	7.60%
Global Equity	4%	7.20%
Real Estate Equity	11%	6.30%
Private Equity	9%	10.10%
Domestic Fixed Income	16%	2.20%
Global Bonds	2%	1.60%
Private Debt	2%	6.00%
Real Estate Debt	6%	3.20%
High-Yield Bonds	1%	4.40%
Cash Equivalents	1%	0.30%
	<u>100%</u>	

#### **Discount Rate**

The discount rate used to measure the total pension liability as of June 30, 2023 was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from School Districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the NYSTRS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability (asset) of the School District calculated using the discount rate of 6.95 percent, as well as what the School Districts' net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

	<u>1% Decrease (5.95%)</u>	<u>Current Discount (6.95%)</u>	<u>1% Increase (7.95%)</u>
Employer's Proportionate Share of Net Pension Liability (Asset)	<u>\$ 13,999,095</u>	<u>\$ 919,148</u>	<u>\$ (10,081,653)</u>

## 12. PENSION PLANS (Continued)

### New York State Teachers' Retirement System (Continued)

#### **Pension Plan Fiduciary Net Position**

The components of the current year net pension liability (asset) of the employers as of June 30, 2023, were as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	<u>\$ 138,365,121,961</u>
Net position	<u>137,221,536,942</u>
Net pension liability (asset)	<u>\$ 1,143,585,019</u>
TRS net position as a percentage of total pension liability	99.17%

## 13. OTHER POSTEMPLOYMENT BENEFITS

#### **Plan Description**

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

#### **Employees Covered by Benefit Terms**

At June 30, 2024, the following employees were covered by the benefit terms:

Actives	238
Retirees	110
Beneficiaries	2
Spouses of Retirees	<u>33</u>
Total participants	<u><u>383</u></u>

#### **Total OPEB Liability**

The School District's total OPEB liability of \$48,508,784 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2022.

### 13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

#### Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Payroll growth	2.40 percent including inflation
Discount Rate	3.93 percent as of June 30, 2024
Healthcare Cost Trend Rates	6.8 percent, decreasing to an ultimate rate of 3.8 percent over 55 years.
Participation rate	Assumed that 100% of future retirees eligible for coverage will elect the benefit.
Cost method	Entry Age Normal

The discount rate was based on the Bond Buyer General Obligation 20-year municipal bond index.

Mortality rates were RP-2014 adjusted to PubT-2010 Headcount-Weighted Mortality Table projected to the valuation date with Scale MP-2021 Ultimate Scale.

The actuarial assumptions used in the June 30, 2024 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.

#### Changes in the Total OPEB Liability

Balance at July 1, 2023	\$ 48,200,390
Changes for the Year	
Service cost	1,780,646
Interest	1,805,334
Effect of plan changes	-
Effect of demographic gains or losses	-
Effect of assumptions changes or inputs	(2,228,506)
Benefit payments	<u>(1,049,080)</u>
Net changes	<u>308,394</u>
Balance at June 30, 2024	<u>\$ 48,508,784</u>

**13. OTHER POSTEMPLOYMENT BENEFITS (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 (2.93%) or 1 percentage point higher (4.93%) than the current discount rate:

	1% Decrease (2.93%)	Current Discount (3.93%)	1% Increase (4.93%)
Total OPEB Liability	<u>\$ 57,176,649</u>	<u>\$ 48,508,784</u>	<u>\$ 41,602,017</u>

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

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 (5.80%) or 1 percentage point higher (7.80%) than the current healthcare cost trend rate:

	Healthcare		
	1% Decrease (5.80%)	Current Discount (6.80%)	1% Increase (7.80%)
Total OPEB Liability	<u>\$ 40,020,735</u>	<u>\$ 48,508,784</u>	<u>\$ 59,604,230</u>

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

For the year ended June 30, 2024, the School District recognized OPEB expense of \$11,627,410. At June 30, 2024, 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	\$ 1,489,705	\$ 5,094,175
Changes of assumptions	<u>5,965,009</u>	<u>17,076,867</u>
Total	<u>\$ 7,454,714</u>	<u>\$ 22,171,042</u>

**13. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

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

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

<u>Fiscal Year Ending June</u>	<u>Amount</u>
2024	\$ (2,882,741)
2025	(2,882,741)
2026	(2,429,316)
2027	(2,435,898)
2028	(2,543,973)
Thereafter	<u>(1,541,659)</u>
	<u>\$ (14,716,328)</u>

**14. RISK MANAGEMENT**

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

**15. CONTINGENCIES AND COMMITMENTS**

**Litigation**

During the ordinary course of business, the School District is subject to lawsuits regarding tax certioraris, liability claims and other matters. The School District and its attorneys believes any liability in excess of insurance coverage is immaterial.

**Grant**

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

**16. TAX ABATEMENTS**

All real property in New York State is subject to taxation unless specific legal provision grant it exempt status. Real property exemptions are granted on the basis of many different criteria, including the use to which the property is put, the owner’s ability to pay taxes, the desire of the state and local governments to encourage certain economic or social activities, and other considerations. Most exemptions are granted under Article 4 of the Real Property Tax Law, but others are authorized by a wide variety of statutes ranging from Article 18-A of the Real Property Tax Law, the Agriculture and Markets Law and the Transportation Law. Certain exemptions provide full relief from taxation (wholly exempt property) and others reduce the taxes which would otherwise be payable by varying degrees (partially exempt property). Some exemptions apply to taxes levied for county, city/town, and school purposes, whereas others pertain only to certain of these purposes. Some tax exemptions are mandated by State law, others are subject to local option and/or local determination of eligibility criteria.

**16. TAX ABATEMENTS (Continued)**

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.

The County of Greene enters into various property tax and sales tax (if applicable) abatement programs for the purpose of economic development. The School District had 4 tax abatements through the County of Greene Industrial Development Agency. For the year ended June 30, 2024 the School District had taxes abated of \$530,082. The School District received Payments in Lieu of Taxes (PILOT) payments totaling \$3,649,735.

Owner/Property	Purpose	Assessment	Tax Rate	Tax Value	PILOT Received	Amount of Tax Abated
Athens Generating Company, LI	PILOT	\$351,310,187	11.746564	\$ 4,057,032	\$ 3,628,775	\$ 428,257
Bogart Solar, LLC	Solar PILOT	1,206,750	33.613498	40,563	-	40,563
Village of Catskill Housing Autho	PILOT	1,250,100	33.613498	42,020	-	42,020
Camptown, LLC	PILOT	1,196,000	33.613498	40,202	20,960	19,242
Total Payment in Lieu of Taxes				<u>\$ 4,179,817</u>	<u>\$ 3,649,735</u>	<u>\$ 530,082</u>

**17. CONTINGENCIES AND COMMITMENTS**

**General Information**

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 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.

**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.

**18. RESTATEMENT**

A prior period adjustment was necessary to correct accounting errors in the June 30, 2023 financial statements. The School District re-evaluated its financial reporting and determined that its Extraclassroom and scholarship activities should be reported as governmental funds as opposed to fiduciary. A prior period adjustment was necessary to reflect the correct presentation as follows:

	Governmental Activities Net Position	Miscellaneous Special Revenue Fund Balance	Custodial Fund Net Position	Private Purpose Trust Net Position
Balance at June 30, 2023, as originally stated	\$ (11,554,383)	\$ 65,161	\$ 63,500	\$ 683,664
Prior period adjustment - Extraclassroom and Scholarships	747,164	747,164	(63,500)	(683,664)
Balance at July 1, 2023, as restated	<u>\$ (10,807,219)</u>	<u>\$ 812,325</u>	<u>\$ -</u>	<u>\$ -</u>

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**CATSKILL CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2024**

	Original <u>Budget</u>	Final <u>Budget</u>	Actual <u>(Budgetary Basis)</u>	<u>Encumbrances</u>	Final Budget Variance with <u>Budgetary Actual</u>
<b>REVENUE</b>					
LOCAL SOURCES:					
Real property taxes	\$ 24,522,154	\$ 24,522,154	\$ 24,436,471	\$ -	\$ (85,683)
Charges for services	6,500	6,500	-	-	(6,500)
Use of money and property	85,000	85,000	1,055,470	-	970,470
Sale of property and compensation for loss	326,589	326,589	540,956	-	214,367
Miscellaneous	<u>724,421</u>	<u>771,652</u>	<u>442,864</u>	-	<u>(328,788)</u>
Total local sources	25,664,664	25,711,895	26,475,761	-	763,866
State sources	20,547,584	20,547,584	19,948,010	-	(599,574)
Federal sources	<u>100,000</u>	<u>100,000</u>	<u>256,907</u>	-	<u>156,907</u>
Total revenue	<u>\$ 46,312,248</u>	<u>\$ 46,359,479</u>	<u>\$ 46,680,678</u>	<u>\$ -</u>	<u>\$ 321,199</u>

(Continued)

See the independent auditor's report

**CATSKILL CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)**

(Continued)

**FOR THE YEAR ENDED JUNE 30, 2024**

	Original <u>Budget</u>	Final <u>Budget</u>	Actual <u>(Budgetary Basis)</u>	<u>Encumbrances</u>	Variance with Budgetary Actual and Encumbrances
<b>EXPENDITURES</b>					
<b>GENERAL SUPPORT:</b>					
Board of education	\$ 62,367	\$ 63,955	\$ 55,729	\$ 2,093	\$ 6,133
Central administration	267,876	453,206	436,074	255	16,877
Finance	562,818	628,587	596,668	26,233	5,686
Staff	143,796	301,796	258,731	-	43,065
Central services	3,521,738	3,855,161	3,723,438	290,827	(159,104)
Special items	<u>542,939</u>	<u>608,170</u>	<u>601,366</u>	<u>-</u>	<u>6,804</u>
Total general support	<u>5,101,534</u>	<u>5,910,875</u>	<u>5,672,006</u>	<u>319,408</u>	<u>(80,539)</u>
<b>INSTRUCTION:</b>					
Instruction, administration, and improvement	1,418,655	1,460,687	1,400,586	-	60,101
Teaching - Regular school	11,152,677	11,011,678	9,984,352	368,000	659,326
Programs for children with handicapping conditions	7,078,750	7,073,916	6,574,669	78,965	420,282
Programs for English language learners	217,837	217,837	119,880	-	97,957
Teaching - Special school	66,036	72,286	31,871	-	40,415
Occupational education	894,517	912,517	898,677	-	13,840
Instructional media	1,304,620	1,411,176	1,084,913	209,328	116,935
Pupil services	<u>2,384,352</u>	<u>2,330,373</u>	<u>1,652,386</u>	<u>28,038</u>	<u>649,949</u>
Total instruction	<u>24,517,444</u>	<u>24,490,470</u>	<u>21,747,334</u>	<u>684,331</u>	<u>2,058,805</u>
Pupil transportation	3,542,725	3,365,325	3,258,245	26,745	80,335
Employee benefits	10,450,017	10,062,017	9,201,694	-	860,323
Debt service - Interest	2,171,950	2,183,950	2,144,697	-	39,253
Debt service - Principal	<u>3,880,000</u>	<u>3,868,000</u>	<u>3,488,244</u>	<u>-</u>	<u>379,756</u>
Total expenditures	<u>49,663,670</u>	<u>49,880,637</u>	<u>45,512,220</u>	<u>1,030,484</u>	<u>3,337,933</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from the issuance of leases	-	-	1,264	-	1,264
Operating transfers (out)	<u>(225,000)</u>	<u>(225,000)</u>	<u>(213,569)</u>	<u>-</u>	<u>11,431</u>
Total other financing sources (uses)	<u>(225,000)</u>	<u>(225,000)</u>	<u>(212,305)</u>	<u>-</u>	<u>12,695</u>
Total expenditures and other financing sources (uses)	<u>49,888,670</u>	<u>50,105,637</u>	<u>45,724,525</u>	<u>1,030,484</u>	<u>3,350,628</u>
NET CHANGE IN FUND BALANCE	(3,576,422)	(3,746,158)	956,153	(1,030,484)	3,671,827
FUND BALANCE - beginning of year	<u>16,699,718</u>	<u>16,699,718</u>	<u>16,699,718</u>	<u>-</u>	<u>-</u>
FUND BALANCE - end of year	<u>\$ 13,123,296</u>	<u>\$ 12,953,560</u>	<u>\$ 17,655,871</u>	<u>\$ (1,030,484)</u>	<u>\$ 3,671,827</u>

See the independent auditor's report

CATSKILL CENTRAL SCHOOL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2024

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Plan Fiscal Years (Dollar amounts displayed in thousands)									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.0112656%	0.0113479%	0.0104202%	0.0107198%	0.0095550%	0.0010077%	0.0096432%	0.0099093%	0.0108217%	0.0110741%
Proportionate share of the net pension liability (asset)	\$ 1,659	\$ 2,433	\$ (852)	\$ 11	\$ 2,530	\$ 714	\$ 311	\$ 931	\$ 1,737	\$ 374
Covered-employee payroll	\$ 3,796	\$ 4,053	\$ 3,830	\$ 5,829	\$ 3,488	\$ 3,334	\$ 2,616	\$ 3,171	\$ 3,322	\$ 3,688
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	43.70%	60.03%	-22.25%	0.19%	72.53%	21.42%	11.89%	29.36%	52.29%	10.14%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Plan Fiscal Years (Dollar amounts displayed in thousands)									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.0803740%	0.0808650%	0.0815520%	0.0814920%	0.0837070%	0.0829100%	0.0832200%	0.0835900%	0.0837200%	0.0856440%
Proportionate share of the net pension liability (asset)	\$ 919.15	\$ 1,552	\$ (14,132)	\$ 2,252	\$ (2,175)	\$ (1,499)	\$ (633)	\$ 895	\$ (8,696)	\$ (9,540)
Covered-employee payroll	\$ 14,672	\$ 11,264	\$ 14,383	\$ 12,013	\$ 14,469	\$ 14,660	\$ 13,461	\$ 13,486	\$ 13,147	\$ 11,962
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	6.26%	13.78%	-98.25%	18.75%	-15.03%	-10.23%	-4.70%	6.64%	-66.14%	-79.75%
Plan fiduciary net position as a percentage of the total pension liability (asset)	99.17%	97.37%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

**CATSKILL CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF CONTRIBUTIONS - PENSION PLANS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2024**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Plan Fiscal Years (Dollar amounts displayed in thousands)									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 465	\$ 367	\$ 448	\$ 400	\$ 366	\$ 446	\$ 350	\$ 509	\$ 605	\$ 341
Contributions in relation to the contractually required contribution	<u>465</u>	<u>367</u>	<u>448</u>	<u>400</u>	<u>366</u>	<u>446</u>	<u>350</u>	<u>509</u>	<u>605</u>	<u>341</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 3,796	\$ 4,053	\$ 3,830	\$ 5,829	\$ 3,488	\$ 3,334	\$ 2,616	\$ 3,171	\$ 3,322	\$ 3,688
Contributions as a percentage of covered-employee payroll	12.26%	9.05%	11.71%	6.86%	10.48%	13.39%	13.37%	16.06%	18.21%	9.25%

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Plan Fiscal Years (Dollar amounts displayed in thousands)									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,432	\$ 1,404	\$ 1,319	\$ 1,225	\$ 1,484	\$ 1,323	\$ 1,546	\$ 1,710	\$ 2,205	\$ 2,056
Contributions in relation to the contractually required contribution	<u>1,432</u>	<u>1,404</u>	<u>1,319</u>	<u>1,225</u>	<u>1,484</u>	<u>1,323</u>	<u>1,546</u>	<u>1,710</u>	<u>2,205</u>	<u>2,056</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 14,672	\$ 11,264	\$ 14,383	\$ 12,013	\$ 14,469	\$ 14,660	\$ 13,461	\$ 13,486	\$ 13,147	\$ 11,962
Contributions as a percentage of covered-employee payroll	9.76%	12.46%	9.17%	10.20%	10.26%	9.03%	11.48%	12.68%	16.77%	17.19%

CATSKILL CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2024

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total OPEB Liability</b>										
Service cost	\$ 1,781	\$ 1,859	\$ 3,255	\$ 2,877	\$ 1,880	\$ 2,450	\$ 2,399			
Interest	1,805	1,978	1,495	1,262	1,618	1,666	1,573			
Effect of plan changes	-	-	-	-	-	(267)	-			
Effect of demographic gains or losses	-	(6,740)	-	2,470	-	602	(133)			
Effect of assumptions changes or inputs	(2,229)	(2,420)	(15,625)	6,179	7,339	(12,319)	-			
Benefit payments	(1,049)	(967)	(1,156)	(1,026)	(869)	(830)	(754)			
<b>Total change in total OPEB liability</b>	<u>308</u>	<u>(6,290)</u>	<u>(12,031)</u>	<u>11,762</u>	<u>9,968</u>	<u>(8,698)</u>	<u>3,085</u>			
<b>Total OPEB liability - beginning</b>	<u>48,200</u>	<u>54,490</u>	<u>66,521</u>	<u>54,759</u>	<u>44,791</u>	<u>53,489</u>	<u>50,403</u>			
<b>Total OPEB liability - ending</b>	<u>\$ 48,508</u>	<u>\$ 48,200</u>	<u>\$ 54,490</u>	<u>\$ 66,521</u>	<u>\$ 54,759</u>	<u>\$ 44,791</u>	<u>\$ 53,488</u>			
<b>Covered-employee payroll</b>	\$ 15,211	\$ 15,211	\$ 15,690	\$ 15,690	\$ 14,293	\$ 14,293	\$ 15,268			
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	318.9%	316.9%	347.3%	424.0%	383.1%	313.4%	350.3%			

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

Notes to schedule:

**Changes of assumptions.** Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following reflects the discount rate used each period:

Discount rate	3.93%	3.65%	3.54%	2.16%	2.21%	3.50%	3.00%
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Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

**Plan Assets.** No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

**SUPPLEMENTARY INFORMATION**

**CATSKILL CENTRAL SCHOOL DISTRICT, NEW YORK**

**SCHEDULE OF COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS**

**JUNE 30, 2024**

	School Lunch	Miscellaneous Special Revenue	Debt Service	Total Non-Major Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents - unrestricted	\$ 35,608	\$ 68,335	\$ -	\$ 103,943
Cash and cash equivalents - restricted	-	253,321	115,641	368,962
Due from other funds	150,000	500,000	319,083	969,083
State and federal aid receivable	128,627	-	-	128,627
Inventory	18,063	-	-	18,063
<b>TOTAL ASSETS</b>	<b>\$ 332,298</b>	<b>\$ 821,656</b>	<b>\$ 434,724</b>	<b>\$ 1,588,678</b>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities				
Due to other governments	\$ 30	\$ -	\$ -	\$ 30
Due to other funds	317,894	-	-	317,894
Unearned revenues	3,717	-	-	3,717
<b>TOTAL LIABILITIES</b>	<b>321,641</b>	<b>-</b>	<b>-</b>	<b>321,641</b>
Fund balance				
Nonspendable				
Inventory	18,063	-	-	18,063
Restricted				
Debt service	-	-	115,641	115,641
Other	-	253,321	-	253,321
Total restricted fund balance	-	253,321	115,641	368,962
Assigned				
Other	-	568,335	319,083	887,418
Total assigned fund balance	-	568,335	319,083	887,418
Unassigned				
	(7,406)	-	-	(7,406)
<b>TOTAL FUND BALANCE</b>	<b>10,657</b>	<b>821,656</b>	<b>434,724</b>	<b>1,267,037</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 332,298</b>	<b>\$ 821,656</b>	<b>\$ 434,724</b>	<b>\$ 1,588,678</b>

**CATSKILL CENTRAL SCHOOL DISTRICT, NEW YORK**

**SCHEDULE OF COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDING JUNE 30, 2024**

	School Lunch	Miscellaneous Special Revenue	Debt Service	Total Non-Major Governmental Funds
<b>REVENUE:</b>				
Use of money and property	\$ 7,659	\$ 28,919	\$ 157,734	\$ 194,312
Miscellaneous	-	174,280	-	174,280
State sources	121,823	-	-	121,823
Federal sources	659,503	-	-	659,503
Sales - school lunch	86,340	-	-	86,340
<b>Total revenue</b>	<b>875,325</b>	<b>203,199</b>	<b>157,734</b>	<b>1,236,258</b>
<b>EXPENDITURES:</b>				
Employee benefits	100,104	-	-	100,104
Cost of sales	639,499	-	-	639,499
Other	41,432	193,868	173,376	408,676
<b>Total expenditures</b>	<b>781,035</b>	<b>193,868</b>	<b>173,376</b>	<b>1,148,279</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>94,290</b>	<b>9,331</b>	<b>(15,642)</b>	<b>87,979</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Premium on issuance of debt	-	-	177,526	177,526
Operating transfers in	5,000	-	-	5,000
<b>Total other sources (uses)</b>	<b>5,000</b>	<b>-</b>	<b>177,526</b>	<b>182,526</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND OTHER SOURCES (USES)</b>	<b>99,290</b>	<b>9,331</b>	<b>161,884</b>	<b>270,505</b>
FUND BALANCE - beginning of year, as previously reported	(88,633)	65,161	272,840	249,368
RESTATEMENT (Note 18)	-	747,164	-	747,164
FUND BALANCE - beginning of year, as restated	(88,633)	812,325	272,840	996,532
FUND BALANCE - end of year	\$ 10,657	\$ 821,656	\$ 434,724	\$ 1,267,037

**OTHER INFORMATION (UNAUDITED)**

**CATSKILL CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET - GENERAL FUND  
AND SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2024**

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**CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET**

Adopted budget	\$ 49,888,670
Add: Prior year's encumbrances	<u>169,735</u>
Original budget	50,058,405
Budget revision:	<u>47,232</u>
Final budget	<u>\$ 50,105,637</u>

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

2024-25 voter-approved expenditure budget	\$ 49,430,997	
Maximum allowed (4% of 2024-25 budget)		<u>\$ 1,977,240</u>

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

Unrestricted fund balance:	
Assigned fund balance	\$ 4,468,605
Unassigned fund balance	<u>1,294,003</u>
	<u>\$ 5,762,608</u>

Less:

Appropriated fund balance	\$ 3,438,121
Encumbrances included in assigned fund balance	<u>1,030,484</u>
Total adjustments	<u>\$ 4,468,605</u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u>\$ 1,294,003</u>
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Actual percentage	2.62%
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\* Per Office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions", Updated April 2011 (Originally Issued November 2010), the portion of [General Fund] fund balance subject to Section 1318 of the Real Property Tax Law is: unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

**CATSKILL CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2024**

PROJECT TITLE	Revised Appropriation	Expenditures			Unexpended Balance	Proceeds of Obligations	Methods of Financing			Fund Balance June 30, 2024
		Prior Years	Current Year	Total			State Aid	Local Sources	Total	
Districtwide	\$ 75,090,251	\$ 33,608,259	\$ 7,810,733	\$ 41,418,992	\$ 33,671,259	\$ 36,545,000	\$ -	\$ 4,106,056	\$ 40,651,056	\$ (767,936)
Buses 2022-2023	58,296	58,296	-	58,296	-	58,296	-	-	58,296	-
Equipment	341,704	128,501	171,000	299,501	42,203	261,704	-	80,000	341,704	42,203
Total	<u>\$ 75,490,251</u>	<u>\$ 33,795,056</u>	<u>\$ 7,981,733</u>	<u>\$ 41,776,789</u>	<u>\$ 33,713,462</u>	<u>\$ 36,865,000</u>	<u>\$ -</u>	<u>\$ 4,186,056</u>	<u>\$ 41,051,056</u>	<u>\$ (725,733)</u>

**CATSKILL CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS (UNAUDITED)  
JUNE 30, 2024**

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Capital assets, net		\$ 76,689,674
Deduct:		
Unamortized bond premium	3,099,429	
Short-term portion of bonds payable	2,780,000	
Long-term portion of bonds payable	36,255,000	
Short-term portion of lease payable	79,226	
Long-term portion of lease payable	<u>81,538</u>	
		42,295,193
Add:		
Unamortized amount on refunding bonds		383,694
Unspent bond proceeds		<u>16,156</u>
Net investment in capital assets		<u>\$ 34,794,331</u>

**REQUIRED REPORT UNDER *GOVERNMENT AUDITING STANDARDS***

**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**

November 1, 2024

To the Board of Education of  
Catskill Central School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Catskill Central School District (School District), as of and for the year ended June 30, 2024, 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, 2024..

**Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we considered to be a significant deficiency.

(Continued)

**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 (Continued)**

**Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**School District's Response to Finding**

The School District's response to the finding identified in our audit described in the accompanying schedule of finding and questioned costs. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

**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.

# CATSKILL CENTRAL SCHOOL DISTRICT

## SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2024

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### Section I – Summary of Auditor’s Results

#### Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

Yes  No

Significant deficiencies identified?

Yes  None reported

Noncompliance material to financial statements noted?

Yes  No

### Section II – Financial Statement Findings

#### Finding 2024-001 (Significant Deficiency)

**Criteria** – The School District should always follow its documented procurement policies when making purchases.

**Condition** – Our audit procedures found a disbursement where management overrode documented internal control procedures. This disbursement was not on the cash disbursement warrant and accordingly, was not approved by the internal claims auditor. This payment resulted in an overpayment to the vendor. Subsequently, a refund was requested.

**Questioned Costs** – None.

**Cause** – Management override of established controls lead to improper payment to a vendor.

**Effect** – Revenue and expenditures for a specific grant were overstated prior to adjustment. Adjustment resulted in recording a receivable from the vendor and an offsetting liability to the agency providing the grant funding.

**Recommendation** – We recommend that the School District ensure that only disbursements that have been processed and approved by the internal claims auditor be paid.

**Management Response** – School District management concurs with the finding and will take corrective action.