

CATO - MERIDIAN CENTRAL SCHOOL DISTRICT

BASIC FINANCIAL STATEMENTS

For Year Ended June 30, 2024



BUSINESS
ADVISORS
AND CPAS

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BUSINESS
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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Cato-Meridian Central School District, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cato-Meridian Central School District, New York, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Cato-Meridian Central School District, New York, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in District's total OPEB liability and related ratio, schedule of the District's proportionate share of the net pension liability, schedule of District contributions, and budgetary comparison information on pages 4-13 and 48-52 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Cato-Meridian Central School District's basic financial statements. The accompanying supplemental information as listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2024 on our consideration of Cato-Meridian Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Cato-Meridian Central School District's internal control over financial reporting and compliance.

Mengel, Metzger, Barw & Co. LLP

Rochester, New York
October 2, 2024

Cato - Meridian Central School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

The following is a discussion and analysis of the Cato – Meridian Central School District's 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, and/or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

Financial Highlights

At the close of the fiscal year, the total assets plus deferred outflows (what the district owns) exceeded its total liabilities plus deferred inflows (what the district owes) by \$15,120,092 (net position), an increase of \$2,174,693 from the prior year.

As of the close of the fiscal year, the School District's governmental funds reported combined fund balances of \$12,650,438, an increase of \$1,239,385, in comparison with the prior year.

General revenues, which include Federal and State Aid and Real Property Taxes, accounted for \$23,745,631, or 89% of all revenues. Program specific revenues in the form of Charges for services, Operating Grants and Contributions, and Capital Grants and Contributions accounted for \$2,962,308, or 11% of total revenues.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

Major Feature of the District-Wide and Fund Financial Statements

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

Notes to the Financial Statements

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

Government-Wide Statements

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

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

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

Financial Analysis of the School District as a Whole

Net Position

The District's combined net position was larger on June 30, 2024 than the year before, increasing 17% to \$15,120,092, as shown in table below.

	<u>Governmental Activities</u>		<u>Total Variance</u>
	<u>2024</u>	<u>2023</u>	
<u>ASSETS:</u>			
Current and Other Assets	\$ 14,487,767	\$ 13,061,769	\$ 1,425,998
Capital Assets	28,899,425	28,929,959	(30,534)
Total Assets	<u>\$ 43,387,192</u>	<u>\$ 41,991,728</u>	<u>\$ 1,395,464</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred Outflows of Resources	<u>\$ 6,239,357</u>	<u>\$ 8,362,482</u>	<u>\$ (2,123,125)</u>
<u>LIABILITIES:</u>			
Long-Term Debt Obligations	\$ 29,488,468	\$ 32,270,168	\$ (2,781,700)
Other Liabilities	1,868,211	1,680,342	187,869
Total Liabilities	<u>\$ 31,356,679</u>	<u>\$ 33,950,510</u>	<u>\$ (2,593,831)</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferred Inflows of Resources	<u>\$ 3,149,778</u>	<u>\$ 3,458,301</u>	<u>\$ (308,523)</u>
<u>NET POSITION:</u>			
Net Investment in Capital Assets	\$ 20,551,887	\$ 18,311,117	\$ 2,240,770
<u>Restricted For:</u>			
Capital Projects	2,951,795	4,298,461	(1,346,666)
Reserve for ERS	1,611,000	1,011,000	600,000
Unemployment Insurance Reserve	1,162,354	640,148	522,206
Capital Reserve	3,397,389	2,297,389	1,100,000
Other Purposes	2,147,719	1,783,696	364,023
Unrestricted	(16,702,052)	(15,396,412)	(1,305,640)
Total Net Position	<u>\$ 15,120,092</u>	<u>\$ 12,945,399</u>	<u>\$ 2,174,693</u>

Key Variances

- Deferred Outflows of Resources decreased \$2,123,125 as a result of increases in the pension systems.
- Long-Term Debt Obligations decreased \$2,781,700 as a result of older capital projects reaching the end of their financing schedule.
- Net Investment in Capital Assets increased \$2,240,770 as a result of surplus funds being allocated to reserves.

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

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

There are five restricted net asset balances; Capital Projects, Reserve for ERS, Unemployment Insurance Reserve, Capital Reserve, and Other Purposes. The remaining balance of unrestricted net position is a deficit of \$16,702,052.

Changes in Net Position

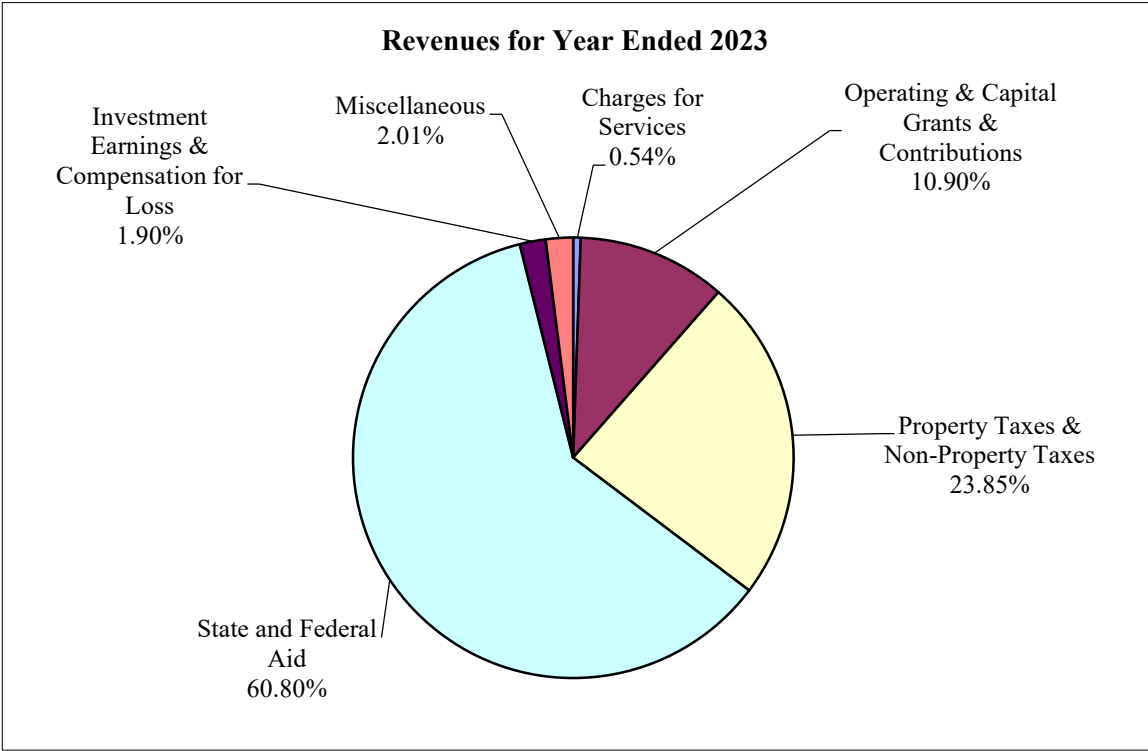
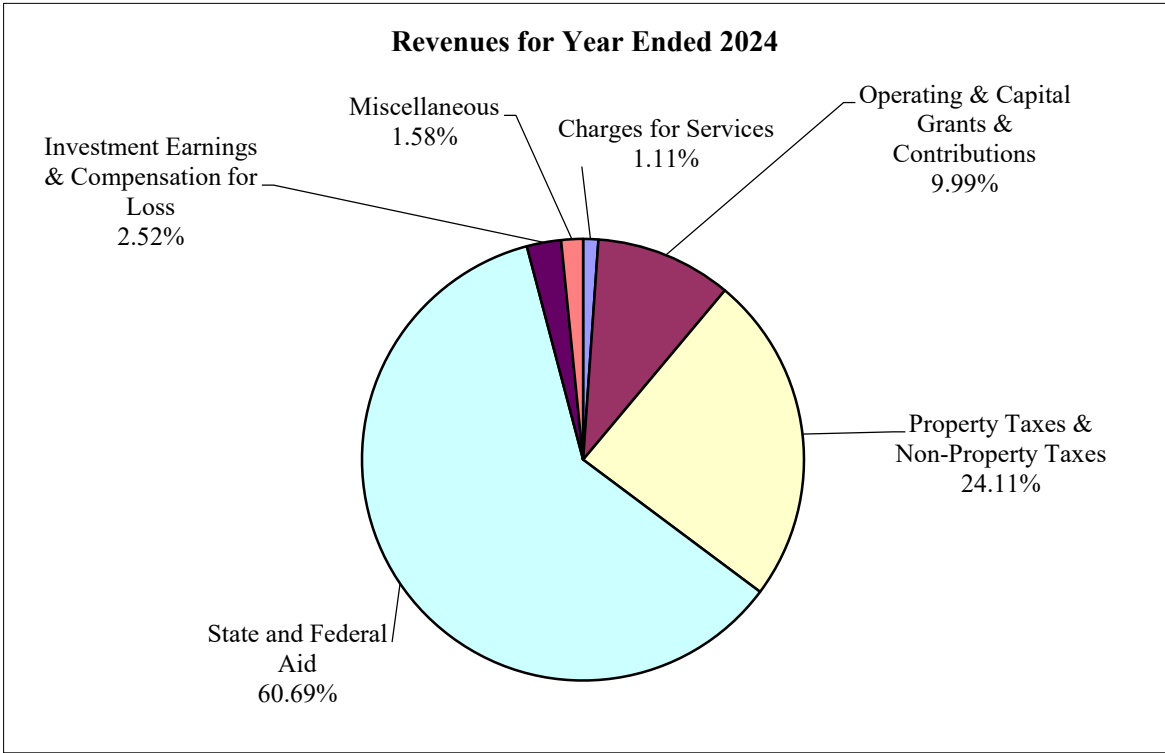
The District’s total revenue increased 1% to \$26,707,939. State and federal aid (61%) and property taxes (24%) accounted for most of the District’s revenue. The remaining (15%) of the revenue comes from operating grants, capital grants, charges for services, non-property taxes, investment earnings, compensation for loss, and miscellaneous revenues.

The total cost of all the programs and services increased 6% to \$24,533,246. The District’s expenses are predominately related to education and caring for the students (74%). General support, which included expenses associated with the operation, maintenance and administration of the District, accounted for (13%) of the total costs. The remaining (13%) of the expenditures comes from pupil transportation, community services, school lunch, and interest on long-term debt. See table below:

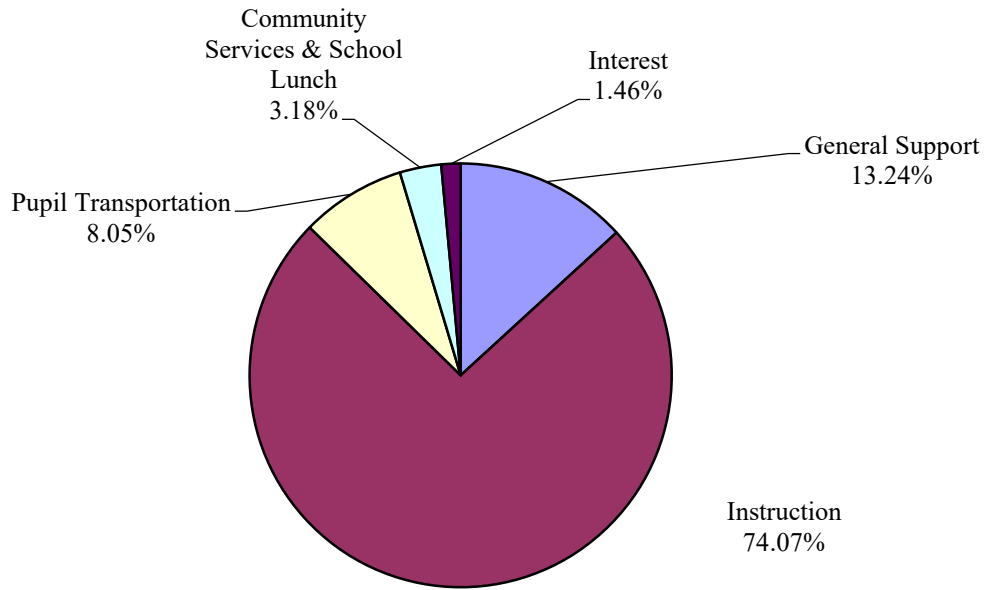
	Governmental Activities		Total Variance
	<u>2024</u>	<u>2023</u>	
<u>REVENUES:</u>			
<u>Program -</u>			
Charges for Service	\$ 295,129	\$ 317,753	\$ (22,624)
Operating Grants & Contributions	2,546,644	2,688,391	(141,747)
Capital Grants & Contributions	120,535	17,293	103,242
Total Program	\$ 2,962,308	\$ 3,023,437	\$ (61,129)
<u>General -</u>			
Property Taxes	\$ 6,437,247	\$ 6,302,341	\$ 134,906
Non Property Taxes	1,331	1,326	5
State and Federal Aid	16,209,763	16,067,003	142,760
Investment Earnings	665,763	423,836	241,927
Compensation for Loss	6,643	79,517	(72,874)
Miscellaneous	424,884	530,370	(105,486)
Total General	\$ 23,745,631	\$ 23,404,393	\$ 341,238
TOTAL REVENUES	\$ 26,707,939	\$ 26,427,830	\$ 280,109
<u>EXPENSES:</u>			
General Support	\$ 3,248,267	\$ 3,051,189	\$ 197,078
Instruction	18,170,902	16,939,068	1,231,834
Pupil Transportation	1,973,916	1,908,569	65,347
Community Services	206,593	306,085	(99,492)
School Lunch	574,690	536,654	38,036
Interest	358,878	408,584	(49,706)
TOTAL EXPENSES	\$ 24,533,246	\$ 23,150,149	\$ 1,383,097
CHANGE IN NET POSITION	\$ 2,174,693	\$ 3,277,681	
NET POSITION, BEGINNING OF YEAR	12,945,399	9,667,718	
NET POSITION, END OF YEAR	\$ 15,120,092	\$ 12,945,399	

Key Variances

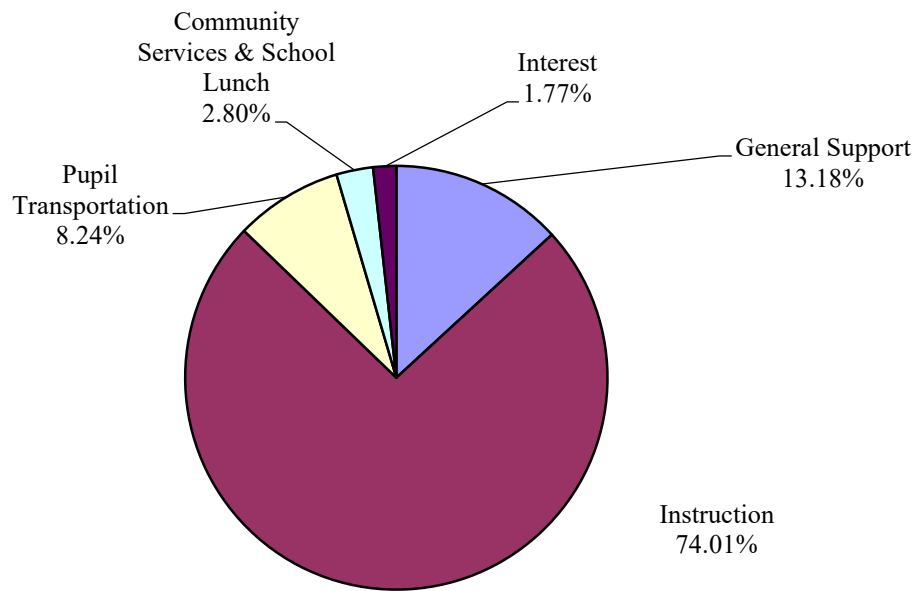
- Instruction increased \$1,231,834 as a result of decreased offsets from Federal Stimulus Funding, increased contractual obligations and inflationary pressures.



Expenses for Year Ended 2024



Expenses for Year Ended 2023



Financial Analysis of the School District's Funds

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported combined fund balances of \$12,650,438 which is more than last year's ending fund balance of \$11,411,053.

The General Fund is the chief operating fund of the District. At the end of the current year, the total fund balance of the General Fund was \$8,838,866. Fund balance for the General Fund increased by \$2,163,255 compared with the prior year. See table below:

<u>General Fund Balances:</u>	<u>2024</u>	<u>2023</u>	<u>Total Variance</u>
Restricted	\$ 7,669,695	\$ 5,092,498	\$ 2,577,197
Assigned	216,964	609,835	(392,871)
Unassigned	952,207	973,278	(21,071)
Total General Fund Balances	<u>\$ 8,838,866</u>	<u>\$ 6,675,611</u>	<u>\$ 2,163,255</u>

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was \$584,835. This change is attributable to \$159,835 of carryover encumbrances from the 2022-23 school year and \$425,000 for emergency projects.

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

Expenditure Items:	Budget Variance Original Vs. Amended	Explanation for Budget Variance
Transfers-Out	\$315,511	Emergency Projects (Hot Water Generation System & Elementary Roof Project)

Revenue Items:	Budget Variance Amended Vs. Actual	Explanation for Budget Variance
Use of Money and Property	\$577,276	BOCES Rent, Fees for Service, Sale of Equipment, Interest
Miscellaneous	\$323,985	BOCES refund was not included as an expected revenue
State Sources	(\$809,881)	This is due to changes in expense-based aids.
Expenditure Items:	Budget Variance Amended Vs. Actual	Explanation for Budget Variance
General Support	\$531,056	Conservative budgeting and the offsetting of expenses through the use of stimulus funds.
Instructional	\$1,476,748	Conservative budgeting and the offsetting of expenses through the use of stimulus funds.
Pupil Transportation	\$165,354	Conservative budgeting and decreased fuel costs through procurement adjustments.
Employee Benefits	\$676,354	Conservative budgeting and the offsetting of expenses through the use of stimulus funds.

Capital Asset and Debt Administration

Capital Assets

By the end of the 2024 fiscal year, the District had invested \$28,682,189 in a broad range of capital assets, including land, work in progress, buildings and improvements, and machinery and equipment. The change in capital assets, net of accumulated depreciation, is reflected below:

	<u>2024</u>	<u>2023</u>
<u>Capital Assets:</u>		
Land	\$ 52,600	\$ 52,600
Work in Progress	2,048,204	701,539
Buildings and Improvements	25,319,154	26,456,919
Machinery and Equipment	1,262,231	1,449,415
Total Capital Assets	<u>\$ 28,682,189</u>	<u>\$ 28,660,473</u>
<u>Lease Assets:</u>		
Equipment	\$ 217,236	\$ 269,486
Total Lease Assets	<u>\$ 217,236</u>	<u>\$ 269,486</u>

More detailed information can be found in the notes to the financial statements.

Long-Term Debt

At year-end, the District had \$29,488,468 in general obligation bonds and other long-term debt outstanding as follows:

<u>Type</u>	<u>2024</u>	<u>2023</u>
Serial Bonds	5,955,000	\$ 7,765,000
Lease Liability	-	34,770
Unamortized Bond Premium	371,304	437,723
Energy Performance Contract	1,913,957	2,059,031
OPEB	19,650,342	19,665,247
Net Pension Liability	1,350,150	2,178,410
Compensated Absences	247,715	129,987
Total Long-Term Obligations	\$ 29,488,468	\$ 32,270,168

More detailed information can be found in the notes to the financial statements.

Factors Bearing on the District's Future

Cato-Meridian Central School District's financial outlook has been impacted by the following factors: Federal stimulus funds and an anticipated solar project. Federal stimulus funds are phasing out with limited impact in the upcoming school year. The solar project will have unknown impacts due to uncertain status of PILOTs or educational contributions.

The district is also facing a drop-in debt service revenue which may impact tax cap and budget stability. The capital project was approved by voters in 2023 and it is anticipated that this will in time provide more stability but until the project is aided there will be decreases in debt service revenue.

The district also continues to face decreasing enrollment and increasing rates of student poverty and needs. This coupled with the reformulation of the Foundation Aid formula is expected to negatively impact our school district through decreased state funding with continuously increasing costs to support students with greater needs.

Contacting the School District's Financial Management

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

Cato - Meridian Central School District
2851 Route 370 East
Cato, NY 13033
(315) 626-2716

CATO-MERIDIAN CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Net Position

June 30, 2024

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 12,430,160
Accounts receivable	2,054,964
Inventories	2,643
Capital Assets:	
Land	52,600
Work in progress	2,048,204
Other capital assets (net of depreciation)	26,798,621
TOTAL ASSETS	<u>\$ 43,387,192</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources	<u>\$ 6,239,357</u>
 LIABILITIES	
Accounts payable	\$ 7,013
Accrued liabilities	62,049
Unearned revenues	120,068
Due to other governments	27
Due to teachers' retirement system	881,448
Due to employees' retirement system	72,029
Bond anticipation notes payable	476,108
Other Liabilities	249,469
Long-Term Obligations:	
Due in one year	2,006,531
Due in more than one year	27,481,937
TOTAL LIABILITIES	<u>\$ 31,356,679</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources	<u>\$ 3,149,778</u>
 NET POSITION	
Net investment in capital assets	\$ 20,551,887
Restricted For:	
Capital projects	2,951,795
Reserve for employee retirement system	1,611,000
Unemployment insurance reserve	1,162,354
Capital reserves	3,397,389
Other purposes	2,147,719
Unrestricted	(16,702,052)
TOTAL NET POSITION	<u><u>\$ 15,120,092</u></u>

(See accompanying notes to financial statements)

CATO-MERIDIAN CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Activities

For The Year Ended June 30, 2024

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Primary Government -					
General support	\$ 3,248,267	\$ -	\$ -	\$ -	\$ (3,248,267)
Instruction	18,170,902	92,656	1,857,391	120,535	(16,100,320)
Pupil transportation	1,973,916	-	-	-	(1,973,916)
Community services	206,593	174,323	24,037	-	(8,233)
School lunch	574,690	28,150	665,216	-	118,676
Interest	358,878	-	-	-	(358,878)
Total Primary Government	<u>\$ 24,533,246</u>	<u>\$ 295,129</u>	<u>\$ 2,546,644</u>	<u>\$ 120,535</u>	<u>\$ (21,570,938)</u>
General Revenues:					
Property taxes					\$ 6,437,247
Non property taxes					1,331
State and federal aid					16,209,763
Investment earnings					665,763
Compensation for loss					6,643
Miscellaneous					424,884
Total General Revenues					<u>\$ 23,745,631</u>
Changes in Net Position					\$ 2,174,693
Net Position, Beginning of Year					<u>12,945,399</u>
Net Position, End of Year					<u>\$ 15,120,092</u>

CATO-MERIDIAN CENTRAL SCHOOL DISTRICT, NEW YORK

Balance Sheet

Governmental Funds

June 30, 2024

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 12,348,410	\$ 9,427	\$ 72,323	\$ 12,430,160
Receivables	1,545,256	137,828	371,880	2,054,964
Inventories	-	-	2,643	2,643
Due from other funds	42,866	3,126,389	921,588	4,090,843
TOTAL ASSETS	<u>\$ 13,936,532</u>	<u>\$ 3,273,644</u>	<u>\$ 1,368,434</u>	<u>\$ 18,578,610</u>
LIABILITIES AND FUND BALANCES				
Liabilities -				
Accounts payable	\$ 7,013	\$ -	\$ -	\$ 7,013
Accrued liabilities	27,130	-	4,037	31,167
Notes payable - bond anticipation notes	-	476,108	-	476,108
Due to other funds	3,860,577	-	230,266	4,090,843
Due to other governments	-	-	27	27
Due to TRS	881,448	-	-	881,448
Due to ERS	72,029	-	-	72,029
Other liabilities	249,469	-	-	249,469
Unearned revenue	-	-	120,068	120,068
TOTAL LIABILITIES	<u>\$ 5,097,666</u>	<u>\$ 476,108</u>	<u>\$ 354,398</u>	<u>\$ 5,928,172</u>
Fund Balances -				
Nonspendable	\$ -	\$ -	\$ 2,643	\$ 2,643
Restricted	7,669,695	2,951,795	648,767	11,270,257
Assigned	216,964	-	362,626	579,590
Unassigned	952,207	(154,259)	-	797,948
TOTAL FUND BALANCE	<u>\$ 8,838,866</u>	<u>\$ 2,797,536</u>	<u>\$ 1,014,036</u>	<u>\$ 12,650,438</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 13,936,532</u>	<u>\$ 3,273,644</u>	<u>\$ 1,368,434</u>	

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

Capital assets and right to use assets used in governmental activities are not financial resources and therefore are not reported in the funds.	28,899,425
Interest is accrued on outstanding bonds in the statement of net position but not in the funds.	(30,882)
The following long-term obligations are not due and payable in the current period and therefore are not reported in the governmental funds:	
Serial bonds payable	(5,955,000)
OPEB	(19,650,342)
Compensated absences	(247,715)
Unamortized bond premium	(371,304)
Energy performance contract	(1,913,957)
Deferred outflow - advanced refunding	46,983
Deferred outflow - pension	4,109,466
Deferred outflow - OPEB	2,082,908
Net pension liability	(1,350,150)
Deferred inflow - pension	(771,153)
Deferred inflow - OPEB	(2,378,625)
Net Position of Governmental Activities	<u>\$ 15,120,092</u>

CATO-MERIDIAN CENTRAL SCHOOL DISTRICT, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For The Year Ended June 30, 2024

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Real property taxes and tax items	\$ 6,437,247	\$ -	\$ -	\$ 6,437,247
Non-property taxes	1,331	-	-	1,331
Charges for services	92,656	-	-	92,656
Use of money and property	662,276	-	3,390	665,666
Sale of property and compensation for loss	6,643	-	-	6,643
Miscellaneous	406,394	-	215,256	621,650
State sources	16,123,860	120,535	619,045	16,863,440
Federal sources	85,903	-	1,903,072	1,988,975
Sales	-	-	28,150	28,150
TOTAL REVENUES	<u>\$ 23,816,310</u>	<u>\$ 120,535</u>	<u>\$ 2,768,913</u>	<u>\$ 26,705,758</u>
EXPENDITURES				
General support	\$ 2,603,244	\$ -	\$ 28,662	\$ 2,631,906
Instruction	10,818,349	-	1,627,993	12,446,342
Pupil transportation	1,227,246	50,739	26,071	1,304,056
Community services	-	-	187,286	187,286
Employee benefits	3,898,512	-	203,562	4,102,074
Debt service - principal	2,344,844	-	-	2,344,844
Debt service - interest	378,464	-	-	378,464
Cost of sales	-	-	43,857	43,857
Other expenses	-	-	500,933	500,933
Capital outlay	-	1,883,792	-	1,883,792
TOTAL EXPENDITURES	<u>\$ 21,270,659</u>	<u>\$ 1,934,531</u>	<u>\$ 2,618,364</u>	<u>\$ 25,823,554</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 2,545,651</u>	<u>\$ (1,813,996)</u>	<u>\$ 150,549</u>	<u>\$ 882,204</u>
OTHER FINANCING SOURCES (USES)				
Transfers - in	\$ 43,722	\$ 416,671	\$ 9,447	\$ 469,840
Transfers - out	(426,118)	(43,722)	-	(469,840)
BAN's redeemed from appropriations	-	355,000	-	355,000
Premium on obligations issued	-	-	2,181	2,181
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (382,396)</u>	<u>\$ 727,949</u>	<u>\$ 11,628</u>	<u>\$ 357,181</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,163,255</u>	<u>\$ (1,086,047)</u>	<u>\$ 162,177</u>	<u>\$ 1,239,385</u>
FUND BALANCE, BEGINNING OF YEAR	<u>6,675,611</u>	<u>3,883,583</u>	<u>851,859</u>	<u>11,411,053</u>
FUND BALANCE, END OF YEAR	<u>\$ 8,838,866</u>	<u>\$ 2,797,536</u>	<u>\$ 1,014,036</u>	<u>\$ 12,650,438</u>

(See accompanying notes to financial statements)

CATO-MERIDIAN CENTRAL SCHOOL DISTRICT, NEW YORK
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to Statement of Activities
For The Year Ended June 30, 2024

NET CHANGE IN FUND BALANCES -
TOTAL GOVERNMENTAL FUNDS \$ 1,239,385

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

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

Capital Outlay	\$ 1,883,792	
Additions to Assets, Net	79,220	
Depreciation and Amortization	<u>(1,993,546)</u>	(30,534)

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

Debt Repayments	\$ 2,344,844	
Proceeds from BAN Redemption	(355,000)	
Unamortized Bond Premium	<u>66,419</u>	2,056,263

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (1,256)

The net OPEB liability does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds. (216,038)

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

Teachers' Retirement System		(578,972)
Employees' Retirement System		(130,850)

Portion of deferred (inflow) / outflow recognized in long term debt (45,577)

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

Compensated Absences		<u>(117,728)</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 2,174,693**

CATO-MERIDIAN CENTRAL SCHOOL DISTRICT, NEW YORK

Statement of Fiduciary Net Position

June 30, 2024

	Custodial Funds
ASSETS	
Cash and cash equivalents	\$ 112,900
TOTAL ASSETS	\$ 112,900
NET POSITION	
Restricted for individuals, organizations and other governments	\$ 112,900
TOTAL NET POSITION	\$ 112,900

Statement of Changes in Fiduciary Net Position

For The Year Ended June 30, 2024

	Custodial Funds
ADDITIONS	
Library taxes	\$ 75,000
Student activity	103,860
TOTAL ADDITIONS	\$ 178,860
DEDUCTIONS	
Student activity	\$ 123,283
Library taxes	75,000
TOTAL DEDUCTIONS	\$ 198,283
CHANGE IN NET POSITION	\$ (19,423)
NET POSITION, BEGINNING OF YEAR	132,323
NET POSITION, END OF YEAR	\$ 112,900

CATO - MERIDIAN CENTRAL SCHOOL DISTRICT, NEW YORK

Notes To The Basic Financial Statements

June 30, 2024

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units* and GASB Statement No. 61, *The Financial Reporting Entity*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

1. Extraclassroom Activity Funds

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

(I.) (Continued)

B. Joint Venture

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

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

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

During the year, the District was billed \$3,788,923 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$1,673,902.

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

C. Basis of Presentation

1. Districtwide Statements

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

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

(I.) (Continued)

2. **Fund Statements**

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

The District reports the following governmental funds:

a. **Major Governmental Funds**

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

Capital Projects Fund - Used to account for the financial resources used for acquisition, construction, or major repair of capital facilities, or equipment.

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

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

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

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

Miscellaneous Special Revenue Fund – used to account for and report those revenues that are restricted or committed to expenditures for specified purposes.

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

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

(I.) (Continued)

D. Measurement Focus and Basis of Accounting

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

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

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

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

E. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1, and became a lien on August 21, 2023. Taxes are collected during the period September 1, 2023 to November 15, 2023.

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

F. Restricted Resources

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

(I.) (Continued)

G. Interfund Transactions

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

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

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

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

H. Estimates

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

I. Cash and Cash Equivalents

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

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

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

(I.) (Continued)

J. Receivables

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

K. Inventory and Prepaid Items

Inventories of food and/or supplies for school lunch are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value which approximates market. Purchases of 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 District for which benefits extend beyond year end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the District-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

L. Capital Assets

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

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

<u>Class</u>	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 50,000	SL	15-50 Years
Machinery and Equipment	\$ 5,000	SL	5-25 Years

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

M. Right To Use Assets

The District-wide financial statements, right-to-use-assets are reported within the major class of the underlying asset and valued at the future minimum lease payment. Amortization is between 3 and 5 years based on the contract terms and/or estimated replacement of the assets.

(I.) (Continued)

N. Unearned Revenue

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

O. Deferred Outflows and Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

P. Vested Employee Benefits

1. Compensated Absences

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

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

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

Q. Other Benefits

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

(I.) (Continued)

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

R. Short-Term Debt

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

S. Accrued Liabilities and Long-Term Obligations

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

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

T. Equity Classifications

1. District-Wide Statements

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

- a. Net Investment in Capital Assets** - consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.
- b. Restricted Net Position** - reports net position when constraints placed on the assets or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

(I.) (Continued)

	<u>Total</u>
Retirement Contribution - TRS	\$ 601,099
Insurance	642,866
Debt Services	620,720
Scholarships	28,047
Employee Benefit Accrued Liability	<u>254,987</u>
Total Net Position - Restricted for Other Purposes	<u><u>\$ 2,147,719</u></u>

c. **Unrestricted Net Position** - reports the balance of net position that does not meet the definition of the above two classifications. The reported deficit of \$16,702,052 at year end is the result of full implementation of GASB #75 regarding retiree health obligations.

2. **Fund Statements**

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

a. **Nonspendable Fund Balance** – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes:

	<u>Total</u>
Inventory in School Lunch	\$ 2,643
Total Nonspendable Fund Balance	<u><u>\$ 2,643</u></u>

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

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

(I.) (Continued)

<u>Name of Reserve</u>	<u>Maximum Funding</u>	<u>Total Funding Provided</u>	<u>Total Year to Date Balance</u>
2023 Capital Reserve	\$ 10,000,000	\$ 3,397,389	\$ 3,397,389

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

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

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

Teachers' Retirement Reserve – General Municipal Law §6-r was amended to include a Teachers' Retirement Reserve (TRS) sub-fund. The reserve has an annual funding limit of 2% of the prior year TRS salaries and a maximum cumulative total balance of 10% of the previous year's TRS salary.

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

(I.) (Continued)

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

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

Restricted fund balances include the following:

	<u>Total</u>
<u>General Fund -</u>	
Unemployment Costs	\$ 1,162,354
Retirement Contribution - ERS	1,611,000
Retirement Contribution - TRS	601,099
Insurance	642,866
Capital Reserves	3,397,389
Employee Benefit Accrued Liability	254,987
<u>Capital Fund -</u>	
2023 33.1 Million Project	2,951,795
<u>Miscellaneous Special Revenue Fund -</u>	
Scholarships	28,047
<u>Debt Service Fund -</u>	
Debt Service	620,720
Total Restricted Fund Balance	<u>\$ 11,270,257</u>

c. **Committed** - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision making authority, i.e., the Board of Education. The District has no committed fund balances as of June 30, 2024.

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

(I.) (Continued)

Management has determined significant encumbrances for the General Fund to be in excess of \$36,000, and the Capital Projects Fund to be in excess of \$5,000. The District reports the following significant encumbrances:

<u>General Fund -</u>	
Instruction	\$ 86,527
<u>Capital Projects Fund -</u>	
Capital Improvements	\$ 3,023,958

Assigned fund balances include the following:

	<u>Total</u>
General Fund - Encumbrances	\$ 116,964
General Fund - Appropriated for Taxes	100,000
Special Aid Fund - Recreation Center	21,100
School Lunch Fund - Year End Equity	341,526
Total Assigned Fund Balance	<u><u>\$ 579,590</u></u>

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

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

3. Order of Use of Fund Balance

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

(I.) (Continued)

U. New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2024, the District implemented the following new standards issued by GASB:

GASB has issued Statement No. 99, *Omnibus 2022 (financial guarantees and derivative instruments)*.

GASB has issued Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*.

V. Future Changes in Accounting Standards

GASB has issued Statement No. 101, *Compensated Absences*, which will be effective for fiscal years beginning after December 15, 2023.

GASB has issued Statement No. 102, *Certain risk Disclosures*, which will be effective for fiscal years beginning after June 15, 2024.

GASB has issued Statement No. 103, *Financial Reporting Model Improvements*, which will be effective for fiscal years beginning after June 15, 2025.

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

II. Stewardship, Compliance and Accountability

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

A. Budgets

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

The voters of the District approved the proposed appropriation budget.

Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restriction, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. The budget was increased during 2023-24 by \$159,835 for carryover encumbrances and \$425,000 for emergency projects.

(II.) (Continued)

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

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

B. Encumbrances

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

C. Deficit Unassigned Fund Balance – Capital Projects Fund

The Capital Projects Fund had a deficit unassigned fund balance of \$154,259 at June 30, 2024, which is a result of bond anticipation notes which are used as a temporary means of financing capital projects. These proceeds are not recognized as revenue but merely serve to provide cash to meet expenditures. This results in the creation of a fund deficit which will remain until the notes are replaced by permanent financing (i.e., bonds, grants-in-aid, or redemption from current appropriations).

III. Cash and Cash Equivalents

Credit risk: In compliance with the State Law, District investments are limited to obligations of the United States of America, obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America, obligations of the State, time deposit accounts and certificates of deposit issued by a bank or trust company located in, and authorized to do business in, the State, and obligations issued by other municipalities and authorities within the State.

Concentration of Credit risk: To promote competition in rates and service cost, and to limit the risk of institutional failure, District deposits and investments are placed with multiple institutions. The District's investment policy limits the amounts that may be deposited with any one financial institution.

Interest rate risk: The District has an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from rising interest rates.

(III.) (Continued)

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

Uncollateralized	\$ -
Collateralized with Securities held by the Pledging Financial Institution	3,864,820
Total	<u><u>\$ 3,864,820</u></u>

Restricted cash represents cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$11,270,257 within the governmental funds and \$112,900 in the fiduciary funds.

IV. Investment Pool

The District participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

Total investments of the cooperative as of year end are \$10,169,797, which consisted of \$1,669,881 in repurchase agreements, \$6,968,345 in U.S. Treasury Securities, \$199,328 in FDIC insured deposits and \$1,332,243 in collateralized bank deposits, with various interest rates and due dates.

The following amounts are included as unrestricted and restricted cash:

<u>Fund</u>	<u>Bank Amount</u>	<u>Carrying Amount</u>	<u>Type of Investment</u>
General	\$ 10,169,797	\$ 10,169,797	NYCLASS

V. Receivables

Receivables at June 30, 2024 for individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

<u>Description</u>	<u>Governmental Activities</u>			<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Non-Major Funds</u>	
Accounts Receivable	\$ 25,967	\$ -	\$ -	\$ 25,967
Due From State and Federal	273,657	137,828	371,880	783,365
Due From Other Governments	1,245,632	-	-	1,245,632
Total Receivables	<u><u>\$ 1,545,256</u></u>	<u><u>\$ 137,828</u></u>	<u><u>\$ 371,880</u></u>	<u><u>\$ 2,054,964</u></u>

VI. Interfund Receivables, Payables, Revenues, and Expenditures

Interfund Receivables, Payables, Revenues, and Expenditures at June 30, 2024 were as follows:

	Interfund			
	<u>Receivables</u>	<u>Payables</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 42,866	\$ 3,860,577	\$ 43,722	\$ 426,118
Capital Projects Fund	3,126,389	-	416,671	43,722
Nonmajor Funds	921,588	230,266	9,447	-
Total	\$ 4,090,843	\$ 4,090,843	\$ 469,840	\$ 469,840

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

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

VII. Capital Assets and Lease Assets

A. Capital Assets

Capital asset balances and activity were as follows:

<u>Type</u>	<u>Balance</u> <u>7/1/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2024</u>
<u>Governmental Activities:</u>				
<u>Capital Assets that are not Depreciated -</u>				
Land	\$ 52,600	\$ -	\$ -	\$ 52,600
Work in progress	701,539	1,883,792	537,127	2,048,204
<i>Total Nondepreciable</i>	<u>\$ 754,139</u>	<u>\$ 1,883,792</u>	<u>\$ 537,127</u>	<u>\$ 2,100,804</u>
<u>Capital Assets that are Depreciated -</u>				
Buildings and Improvements	\$ 51,503,599	\$ 425,527	\$ -	\$ 51,929,126
Machinery and equipment	2,959,536	106,048	7,900	3,057,684
<i>Total Depreciated Assets</i>	<u>\$ 54,463,135</u>	<u>\$ 531,575</u>	<u>\$ 7,900</u>	<u>\$ 54,986,810</u>
<u>Less Accumulated Depreciation -</u>				
Buildings and Improvements	\$ 25,046,680	\$ 1,563,292	\$ -	\$ 26,609,972
Machinery and equipment	1,510,121	285,332	-	1,795,453
<i>Total Accumulated Depreciation</i>	<u>\$ 26,556,801</u>	<u>\$ 1,848,624</u>	<u>\$ -</u>	<u>\$ 28,405,425</u>
<i>Total Capital Assets Depreciated, Net of Accumulated Depreciation</i>	<u>\$ 27,906,334</u>	<u>\$ (1,317,049)</u>	<u>\$ 7,900</u>	<u>\$ 26,581,385</u>
Total Capital Assets	<u>\$ 28,660,473</u>	<u>\$ 566,743</u>	<u>\$ 545,027</u>	<u>\$ 28,682,189</u>

(VII.) (Continued)

B. Lease Assets

A summary of the lease asset activity during the year ended June 30, 2024 is as follows:

<u>Type</u>	<u>Balance</u> <u>7/1/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2024</u>
<u>Lease Assets:</u>				
Equipment	\$ 671,413	\$ 92,672	\$ 292,575	\$ 471,510
<i>Total Lease Assets</i>	<u>\$ 671,413</u>	<u>\$ 92,672</u>	<u>\$ 292,575</u>	<u>\$ 471,510</u>
<u>Less Accumulated Amortization -</u>				
Equipment	\$ 401,927	\$ 144,922	\$ 292,575	\$ 254,274
<i>Total Accumulated Amortization</i>	<u>\$ 401,927</u>	<u>\$ 144,922</u>	<u>\$ 292,575</u>	<u>\$ 254,274</u>
<i>Total Lease Assets, Net</i>	<u><u>\$ 269,486</u></u>	<u><u>\$ (52,250)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 217,236</u></u>

C. Other capital assets (net depreciation and amortization):

Depreciated Capital Assets, net	\$ 26,581,385
Amortized Lease Assets, net	217,236
Total Other Capital Assets, net	<u><u>\$ 26,798,621</u></u>

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

<u>Governmental Activities:</u>	<u>Depreciation</u>	<u>Amortization</u>	<u>Total</u>
General Government Support	\$ 58,071	\$ -	\$ 58,071
Instruction	1,467,487	144,922	1,612,409
Pupil Transportation	246,813	-	246,813
School Lunch	76,253	-	76,253
Total Depreciation and Amortization Expense	<u><u>\$ 1,848,624</u></u>	<u><u>\$ 144,922</u></u>	<u><u>\$ 1,993,546</u></u>

VIII. Short-Term Debt

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

	<u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>7/1/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2024</u>
BAN	2023	4.00%	\$ 465,000	\$ -	\$ 465,000	\$ -
BAN	2024	5.00%	-	476,108	-	476,108
Total Short-Term Debt			<u><u>\$ 465,000</u></u>	<u><u>\$ 476,108</u></u>	<u><u>\$ 465,000</u></u>	<u><u>\$ 476,108</u></u>

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

Interest Paid	\$ 18,548
Less: Interest Accrued in the Prior Year	(14,312)
Plus: Interest Accrued in the Current Year	18,515
Total Short-Term Interest Expense	<u><u>\$ 22,751</u></u>

IX. Long-Term Debt Obligations

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

	<u>Balance 7/1/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2024</u>	<u>Due Within One Year</u>
<u>Governmental Activities:</u>					
<u>Bonds and Notes Payable -</u>					
Serial Bonds	\$ 7,765,000	\$ -	\$ 1,810,000	\$ 5,955,000	\$ 1,760,000
Lease Liability	34,770	-	34,770	-	-
Unamortized Bond Premium	437,723	-	66,419	371,304	59,788
Energy Performance Contracts	2,059,031	-	145,074	1,913,957	149,428
Total Bonds and Notes Payable	\$ 10,296,524	\$ -	\$ 2,056,263	\$ 8,240,261	\$ 1,969,216
<u>Other Liabilities -</u>					
Net Pension Liability	\$ 2,178,410	\$ -	\$ 828,260	\$ 1,350,150	\$ -
OPEB	19,665,247	-	14,905	19,650,342	-
Compensated Absences	129,987	117,728	-	247,715	37,315
Total Other Liabilities	\$ 21,973,644	\$ 117,728	\$ 843,165	\$ 21,248,207	\$ 37,315
Total Long-Term Obligations	\$ 32,270,168	\$ 117,728	\$ 2,899,428	\$ 29,488,468	\$ 2,006,531

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

Existing serial and statutory bond obligations:

<u>Description</u>	<u>Original Amount</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding 6/30/2024</u>
<u>Serial Bonds</u>					
Reconstruction	\$ 1,602,000	2010	2026	2.5%-4.0%	\$ 225,000
Reconstruction	\$ 149,680	2013	2029	2.8%-4.3%	55,000
Refunding	\$ 8,975,000	2014	2025	2.00%-3.25%	835,000
Refunding	\$ 2,510,000	2015	2027	2%-4%	755,000
Construction	\$ 3,340,000	2015	2030	2%-3%	1,470,000
Construction	\$ 3,685,000	2020	2035	5.00%	2,615,000
Total Serial Bonds					\$ 5,955,000
<u>Energy Performance Contract</u>					
Energy Performance Contract	\$ 2,469,380	2019	2035	2.98%	\$ 1,913,957

(IX.) (Continued)

The following is a summary of debt service requirements:

<u>Year</u>	<u>Serial Bonds</u>		<u>Energy Performance Contract</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 1,760,000	\$ 239,766	\$ 149,428	\$ 55,912
2026	770,000	176,823	153,912	51,428
2027	710,000	147,698	158,532	46,808
2028	460,000	120,310	163,289	42,051
2029	470,000	102,315	168,190	37,150
2030-34	1,500,000	270,200	919,765	106,935
2035	285,000	14,250	200,841	4,498
Total	\$ 5,955,000	\$ 1,071,362	\$ 1,913,957	\$ 344,782

In prior years, the District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. \$275,000 of bonds outstanding are considered defeased.

Interest on long-term debt for June 30, 2024 was composed of:

Interest Paid	\$ 359,916
Less: Interest Accrued in the Prior Year	(15,314)
Less: Amortized Bond Premium	(66,419)
Plus: Refunding Bond Amortization	45,577
Plus: Interest Accrued in the Current Year	12,367
Total Long-Term Interest Expense	\$ 336,127

X. Deferred Inflows/Outflows of Resources

The following is a summary of the deferred inflows/outflows of resources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Pension	\$ 4,109,466	\$ 771,153
Bonds	46,983	-
OPEB	2,082,908	2,378,625
Total	\$ 6,239,357	\$ 3,149,778

XI. Pension Plans

A. General Information

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

B. Provisions and Administration

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

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

C. Funding Policies

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier 6 vary based on a sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year.

(XI.) (Continued)

The District's share of the required contributions, based on covered payroll paid for the District's year ended June 30, 2024:

<u>Contributions</u>	<u>ERS</u>	<u>TRS</u>
2024	\$ 251,851	\$ 881,448

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

At June 30, 2024, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2024 for ERS and June 30, 2023 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the TRS and ERS Systems in reports provided to the District.

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2024	June 30, 2023
Net pension assets/(liability)	\$ (882,275)	\$ (467,875)
District's portion of the Plan's total net pension asset/(liability)	0.006%	0.041%

For the year ended June 30, 2024, the District recognized pension expenses of \$388,518 for ERS and \$1,351,987 for TRS. At June 30, 2024 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 284,180	\$ 1,134,472	\$ 24,057	\$ 2,804
Changes of assumptions	333,569	1,007,320	-	219,540
Net difference between projected and actual earnings on pension plan investments	-	239,168	430,987	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	54,360	211,316	34,311	59,454
Subtotal	\$ 672,109	\$ 2,592,276	\$ 489,355	\$ 281,798
District's contributions subsequent to the measurement date	72,029	773,052	-	-
Grand Total	\$ 744,138	\$ 3,365,328	\$ 489,355	\$ 281,798

(XI.) (Continued)

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2024	\$ -	\$ 219,552
2025	(156,323)	(201,681)
2026	177,214	1,916,347
2027	259,042	166,881
2028	(97,179)	125,598
Thereafter	-	83,781
Total	\$ 182,754	\$ 2,310,478

E. Actuarial Assumptions

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2024	June 30, 2023
Actuarial valuation date	April 1, 2023	June 30, 2022
Interest rate	5.90%	6.95%
Salary scale	4.50%	5.18%-1.95%
Decrement tables	April 1, 2016- March 31, 2020	July 1, 2015- June 30, 2020
	System's Experience	System's Experience
Inflation rate	2.90%	2.40%
COLA's	1.50%	1.30%

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

The long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2024 are summarized as follows:

(XI.) (Continued)

Long Term Expected Rate of Return		
	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2024	June 30, 2023
<u>Asset Type -</u>		
Domestic equity	4.00%	6.80%
International equity	6.65%	7.60%
Global equity	0.00%	7.20%
Private equity	7.25%	10.10%
Real estate	4.60%	6.30%
Opportunistic portfolios	5.25%	0.00%
Real assets	5.79%	0.00%
Global bonds	0.00%	1.60%
Cash	0.25%	0.30%
Private debt	0.00%	6.00%
Real estate debt	0.00%	3.20%
High-yield bonds	0.00%	4.40%
Domestic fixed income	0.00%	2.20%
Fixed income	1.50%	0.00%
Credit	5.40%	0.00%

The real rate of return is net of the long-term inflation assumption of 2.90% for ERS and 2.40% for TRS

F. Discount Rate

The discount rate used to calculate the total pension liability was 5.9% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(XI.) (Continued)

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.9% for ERS and 6.95% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentagepoint lower (4.9% for ERS and 5.95% for TRS) or 1-percentage-point higher (6.9% for ERS and 7.95% for TRS) than the current assumption :

	1% Decrease <u>(4.90%)</u>	Current Assumption <u>(5.90%)</u>	1% Increase <u>(6.90%)</u>
<u>ERS</u>			
Employer's proportionate share of the net pension asset (liability)	\$ (2,773,964)	\$ (882,275)	\$ 697,677
	1% Decrease <u>(5.95%)</u>	Current Assumption <u>(6.95%)</u>	1% Increase <u>(7.95%)</u>
<u>TRS</u>			
Employer's proportionate share of the net pension asset (liability)	\$ (7,125,969)	\$ (467,875)	\$ 5,131,871

H. Pension Plan Fiduciary Net Position

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

	(In Thousands)	
	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2024	June 30, 2023
Employers' total pension liability	\$ 240,696,851	\$ 138,365,122
Plan net position	225,972,801	137,221,537
Employers' net pension asset/(liability)	<u>\$ (14,724,050)</u>	<u>\$ (1,143,585)</u>
Ratio of plan net position to the employers' total pension asset/(liability)	93.88%	99.20%

(XI.) (Continued)

I. Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System’s fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2024 represent the projected employer contribution for the period of April 1, 2020 through June 30, 2024 based on paid ERS wages multiplied by the employer’s contribution rate, by tier. Accrued retirement contributions as of June 30, 2024 amounted to \$72,029.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2024 are paid to the System in September, October and November 2024 through a state aid intercept. Accrued retirement contributions as of June 30, 2024 represent employee and employer contributions for the fiscal year ended June 30, 2024 based on paid TRS wages multiplied by the employer’s contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2024 amounted to \$881,448.

XII. Postemployment Benefits

A. General Information About the OPEB Plan

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

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

Employees Covered by Benefit Terms – At March 31, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	157
Active Employees	163
Total	320

B. Total OPEB Liability

The District’s total OPEB liability of \$19,650,342 was measured as of March 31, 2024, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

(XII.) (Continued)

Inflation	2.42 percent
Salary Increases	3.42 percent, average, including inflation
Discount Rate	3.98 percent
Healthcare Cost Trend Rates	Initial rate of 5.10% decreasing to an ultimate rate of 3.86%
Retirees' Share of Benefit-Related Costs	Varies depending on contract

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

Mortality rates were based on the 2015 NYSTRS retirement rates, as appropriate, with adjustments for mortality improvements based on Scale AA.

C. **Changes in the Total OPEB Liability**

Balance at June 30, 2023	<u>\$ 19,665,247</u>
<u>Changes for the Year -</u>	
Service cost	\$ 418,656
Interest	736,169
Differences between expected and actual experience	36,655
Changes in assumptions or other inputs	(597,862)
Benefit payments	<u>(608,523)</u>
Net Changes	<u>\$ (14,905)</u>
Balance at June 30, 2024	<u>\$ 19,650,342</u>

There were no changes in benefit terms.

The Single Discount Rate changed from 3.78% for June 30, 2023 to 3.98% effective June 30, 2024.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.98 percent) or 1-percentage-point higher (4.98 percent) than the current discount rate:

	1% Decrease	Discount	1% Increase
	<u>(2.98%)</u>	<u>(3.98%)</u>	<u>(4.98%)</u>
Total OPEB Liability	\$ 22,914,096	\$ 19,650,342	\$ 17,074,165

(XII.) (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.10 percent decreasing to 2.86 percent) or 1-percentage-point higher (6.10 percent decreasing to 4.86 percent) than the current healthcare cost trend rate:

	1% Decrease (4.10% Decreasing to 2.86%)	Healthcare Cost Trend Rates (5.10% Decreasing to 3.86%)	1% Increase (6.10% Decreasing to 4.86%)
Total OPEB Liability	\$ 16,715,830	\$ 19,650,342	\$ 23,413,496

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

For the year ended June 30, 2024, the District recognized OPEB expense of \$842,505. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,931,194	\$ -
Changes of assumptions	-	2,378,625
Contributions after measurement date	151,714	-
Total	<u>\$ 2,082,908</u>	<u>\$ 2,378,625</u>

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

<u>Year</u>	
2025	\$ (143,320)
2026	(89,148)
2027	(53,033)
2028	(53,033)
2029	(73,824)
Thereafter	(35,073)
Total	<u>\$ (447,431)</u>

XIII. Risk Management

A. General Information

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

B. Pool, Non-Risk Retained

For its employee health and accident insurance coverage, the District is a participant in the Cayuga-Onondaga School Employees Healthcare Plan, a public entity risk pool operated for the benefit of eight individual governmental units located within the Cayuga-Onondaga BOCES district. The District pays an annual premium to the plan for this health and accident insurance coverage. The Cayuga-Onondaga School Employees Healthcare Plan is considered a self-sustaining risk pool that will provide coverage for its members up to \$200,000 per insured event. The Cayuga-Onondaga School Employees Healthcare Plan obtains independent coverage for insured events in excess of \$200,000 and the District has essentially transferred all related risk to the plan.

XIV. Commitments and Contingencies

A. Litigation

There is no litigation pending against the District as of the balance sheet date.

B. Grants

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

XV. School Lunch Contract

For the year ended June 30, 2024, the District was engaged in a contract with Chartwells Dining Service, for the purpose operating the school lunch program. The terms of the contract specify that all governmental subsidies and commodities will be made available to the management company to utilize in the program. The District is entitled to receive any profit resulting from the program after the management fee is deducted.

Required Supplementary Information
CATO-MERIDIAN CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Changes in District's Total OPEB Liability and Related Ratio
For The Year Ended June 30, 2024

	TOTAL OPEB LIABILITY							
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Service cost	\$ 418,656	\$ 434,382	\$ 489,413	\$ 526,260	\$ 556,077	\$ 472,014	\$ 502,237	\$ 520,020
Interest	736,169	535,106	434,202	471,197	657,490	673,534	709,259	634,664
Changes in benefit terms	-	-	(8,440)	-	(363,516)	-	-	-
Differences between expected and actual experiences	36,655	2,649,769	1,194,438	(644,856)	(3,998,032)	(232,340)	(1,157,601)	527,381
Changes of assumptions or other inputs	(597,862)	(2,427,968)	(1,738,994)	331,954	3,591,782	7,855	524,859	(1,376,079)
Benefit payments	(608,523)	(535,081)	(519,760)	(527,181)	(549,508)	(555,771)	(568,699)	(568,699)
Net Change in Total OPEB Liability	\$ (14,905)	\$ 656,208	\$ (149,141)	\$ 157,374	\$ (105,707)	\$ 365,292	\$ 10,055	\$ (262,713)
Total OPEB Liability - Beginning	\$ 19,665,247	\$ 19,009,039	\$ 19,158,180	\$ 19,000,806	\$ 19,106,513	\$ 18,741,221	\$ 18,731,166	\$ 18,993,879
Total OPEB Liability - Ending	\$ 19,650,342	\$ 19,665,247	\$ 19,009,039	\$ 19,158,180	\$ 19,000,806	\$ 19,106,513	\$ 18,741,221	\$ 18,731,166
Covered Employee Payroll	\$ 9,057,526	\$ 8,748,697	\$ 9,573,599	\$ 9,255,219	\$ 9,165,523	\$ 8,879,600	\$ 8,595,102	\$ 8,595,102
Total OPEB Liability as a Percentage of Covered Employee Payroll	216.95%	224.78%	198.56%	207.00%	207.31%	215.17%	218.05%	217.93%

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present.

Required Supplementary Information
CATO-MERIDIAN CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of the District's Proportionate Share of the Net Pension Liability
For The Year Ended June 30, 2024

NYSERS Pension Plan										
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (assets)	0.0060%	0.0063%	0.0061%	0.0061%	0.0066196%	0.0068551%	0.0068359%	0.0078286%	0.0073236%	0.0075979%
Proportionate share of the net pension liability (assets)	\$ 882,275	\$ 1,346,913	\$ (500,785)	\$ 6,055	\$ 1,752,911	\$ 485,707	\$ 220,623	\$ 735,597	\$ 1,175,461	\$ 256,676
Covered-employee payroll	\$ 2,041,238	\$ 2,085,620	\$ 1,896,710	\$ 2,086,697	\$ 2,003,251	\$ 2,016,547	\$ 1,975,656	\$ 1,944,597	\$ 1,785,072	\$ 1,834,077
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	43.223%	64.581%	-26.403%	0.290%	87.503%	24.086%	11.167%	37.828%	65.850%	13.995%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%
NYSTRS Pension Plan										
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (assets)	4.0913%	0.0433%	0.0423%	0.0456%	0.046249%	0.046967%	0.045890%	0.045680%	0.0448300%	0.0440980%
Proportionate share of the net pension liability (assets)	\$ 467,875	\$ 831,497	\$ (7,322,327)	\$ 1,260,157	\$ (1,201,564)	\$ (849,285)	\$ (348,811)	\$ 489,257	\$ (4,656,392)	\$ (4,912,188)
Covered-employee payroll	\$ 7,888,286	\$ 7,556,272	\$ 7,662,459	\$ 7,208,159	\$ 7,769,793	\$ 7,719,789	\$ 7,709,045	\$ 7,272,077	\$ 7,048,953	\$ 6,908,408
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	5.931%	11.004%	-95.561%	17.482%	-15.465%	-11.001%	-4.525%	6.728%	-66.058%	-71.104%
Plan fiduciary net position as a percentage of the total pension liability	99.20%	98.60%	113.25%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

Required Supplementary Information
CATO-MERIDIAN CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of District Contributions
For The Year Ended June 30, 2024

NYSERS Pension Plan										
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 251,851	\$ 232,080	\$ 300,351	\$ 293,959	\$ 278,662	\$ 275,776	\$ 242,310	\$ 284,765	\$ 297,509	\$ 324,615
Contributions in relation to the contractually required contribution	(251,851)	(232,080)	(300,351)	(293,959)	(278,662)	(275,776)	(242,310)	(284,765)	(297,509)	(324,615)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 2,041,238	\$ 2,085,620	\$ 1,896,710	\$ 2,086,697	\$ 2,016,547	\$ 2,016,547	\$ 1,975,656	\$ 1,944,597	\$ 1,785,072	\$ 1,834,077
Contributions as a percentage of covered-employee payroll	12.34%	11.13%	15.84%	14.09%	13.82%	13.68%	12.26%	14.64%	16.67%	17.70%
NYSTRS Pension Plan										
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	881,448	\$ 864,198	\$ 827,019	\$ 739,597	\$ 743,951	\$ 873,761	\$ 852,287	\$ 901,696	\$ 983,048	\$ 1,219,316
Contributions in relation to the contractually required contribution	(881,448)	(864,198)	(827,019)	(739,597)	(743,951)	(873,761)	(852,287)	(901,696)	(983,048)	(1,219,316)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 7,888,286	\$ 7,556,272	\$ 7,662,459	\$ 7,208,159	\$ 7,769,793	\$ 7,719,789	\$ 7,709,045	\$ 7,272,077	\$ 7,048,953	\$ 6,908,408
Contributions as a percentage of covered-employee payroll	11.17%	11.44%	10.79%	10.26%	9.57%	11.32%	11.06%	12.40%	13.95%	17.65%

Required Supplementary Information
CATO-MERIDIAN CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual - General Fund
For The Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Current Year's Revenues</u>	<u>Over (Under) Revised Budget</u>
REVENUES				
Local Sources -				
Real property taxes	\$ 6,404,945	\$ 5,608,355	\$ 5,608,355	\$ -
Real property tax items	7,500	804,090	828,892	24,802
Non-property taxes	1,200	1,200	1,331	131
Charges for services	95,000	95,000	92,656	(2,344)
Use of money and property	85,000	85,000	662,276	577,276
Sale of property and compensation for loss	3,500	3,500	6,643	3,143
Miscellaneous	82,409	82,409	406,394	323,985
State Sources -				
Basic formula	11,443,766	11,443,766	12,344,816	901,050
Lottery aid	-	-	2,022,022	2,022,022
BOCES	1,954,000	1,954,000	1,673,902	(280,098)
Textbooks	49,105	49,105	48,756	(349)
All Other Aid -				
Computer software	28,418	28,418	28,284	(134)
Library loan	5,231	5,231	5,206	(25)
Other aid	3,453,221	3,453,221	874	(3,452,347)
Federal Sources	75,000	75,000	85,903	10,903
TOTAL REVENUES	<u>\$ 23,688,295</u>	<u>\$ 23,688,295</u>	<u>\$ 23,816,310</u>	<u>\$ 128,015</u>
Other Sources -				
Transfer - in	\$ -	\$ -	\$ 43,722	\$ 43,722
TOTAL REVENUES AND OTHER SOURCES	<u>\$ 23,688,295</u>	<u>\$ 23,688,295</u>	<u>\$ 23,860,032</u>	<u>\$ 171,737</u>
Appropriated fund balance	<u>\$ 250,000</u>	<u>\$ 675,000</u>		
Prior year encumbrances	<u>\$ 159,835</u>	<u>\$ 159,835</u>		
TOTAL REVENUES AND APPROPRIATED RESERVES/ FUND BALANCE	<u><u>\$ 24,098,130</u></u>	<u><u>\$ 24,523,130</u></u>		

Required Supplementary Information
CATO-MERIDIAN CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual - General Fund
For The Year Ended June 30, 2024

	<u>Original</u> <u>Budget</u>	<u>Amended</u> <u>Budget</u>	<u>Current</u> <u>Year's</u> <u>Expenditures</u>	<u>Encumbrances</u>	<u>Unencumbered</u> <u>Balances</u>
EXPENDITURES					
General Support -					
Board of education	\$ 41,850	\$ 41,850	\$ 31,803	\$ -	\$ 10,047
Central administration	264,264	258,077	244,397	-	13,680
Finance	326,508	326,508	291,965	-	34,543
Staff	172,310	172,310	151,935	-	20,375
Central services	2,049,840	2,069,840	1,615,644	30,409	423,787
Special items	296,124	296,124	267,500	-	28,624
Instructional -					
Instruction, administration and improvement	668,500	668,500	567,629	-	100,871
Teaching - regular school	5,916,437	5,862,270	5,353,133	20,868	488,269
Programs for children with handicapping conditions	2,467,192	2,673,044	2,258,713	55,793	358,538
Occupational education	818,203	818,203	728,199	-	90,004
Teaching - special schools	66,500	89,000	53,802	-	35,198
Instructional media	1,171,290	1,136,668	981,799	-	154,869
Pupil services	1,096,497	1,098,717	875,074	9,866	213,777
Pupil Transportation	1,386,629	1,392,628	1,227,246	28	165,354
Employee Benefits	4,567,899	4,464,866	3,898,512	-	566,354
Debt service - principal	2,310,074	2,344,844	2,344,844	-	-
Debt service - interest	378,013	378,465	378,464	-	1
TOTAL EXPENDITURES	<u>\$ 23,998,130</u>	<u>\$ 24,091,914</u>	<u>\$ 21,270,659</u>	<u>\$ 116,964</u>	<u>\$ 2,704,291</u>
Other Uses -					
Transfers - out	\$ 100,000	\$ 431,216	\$ 426,118	\$ -	\$ 5,098
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 24,098,130</u>	<u>\$ 24,523,130</u>	<u>\$ 21,696,777</u>	<u>\$ 116,964</u>	<u>\$ 2,709,389</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,163,255</u>		
FUND BALANCE, BEGINNING OF YEAR	<u>6,675,611</u>	<u>6,675,611</u>	<u>6,675,611</u>		
FUND BALANCE, END OF YEAR	<u><u>\$ 6,675,611</u></u>	<u><u>\$ 6,675,611</u></u>	<u><u>\$ 8,838,866</u></u>		

Note to Required Supplementary Information:

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

Supplementary Information
CATO-MERIDIAN CENTRAL SCHOOL DISTRICT, NEW YORK
Schedule of Change From Adopted Budget To Final Budget
And The Real Property Tax Limit
For The Year Ended June 30, 2024

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET:

Adopted budget		\$ 23,938,295
Prior year's encumbrances		<u>159,835</u>
Original Budget		\$ 24,098,130
Budget revisions -		
Emergency projects		<u>425,000</u>
FINAL BUDGET		<u><u>\$ 24,523,130</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION:

2024-25 voter approved expenditure budget		\$ 23,805,174
<u>Unrestricted fund balance:</u>		
Assigned fund balance	\$ 216,964	
Unassigned fund balance		<u>952,207</u>
Total Unrestricted fund balance	<u>\$ 1,169,171</u>	
<u>Less adjustments:</u>		
Appropriated fund balance	\$ 100,000	
Encumbrances included in assigned fund balance		<u>116,964</u>
Total adjustments	<u>\$ 216,964</u>	
General fund fund balance subject to Section 1318 of Real Property Tax Law		<u>952,207</u>
ACTUAL PERCENTAGE		<u><u>4.00%</u></u>

Supplementary Information
CATO-MERIDIAN CENTRAL SCHOOL DISTRICT, NEW YORK
CAPITAL PROJECTS FUND
Schedule of Project Expenditures
For The Year Ended June 30, 2024

Project Title	Expenditures					Methods of Financing				Fund Balance
	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Local Sources	State Sources	Total	
Buses 2020-21	\$ 355,000	\$ 355,000	\$ 287,322	\$ 42,678	\$ 330,000	\$ 25,000	\$ 330,000	\$ -	\$ 330,000	\$ -
Buses 2021-22	303,791	303,791	294,035	965	295,000	8,791	295,000	-	295,000	-
Buses 2022-23	245,760	245,760	233,521	-	233,521	12,239	130,000	-	130,000	(103,521)
23/24 Bus Purchases	366,108	366,108	-	50,739	50,739	315,369	-	-	-	(50,739)
Smart Schools Bond Act	1,185,295	1,185,295	788,324	120,535	908,859	276,436	-	908,859	908,859	-
23/24 Capital Outlay Project	100,000	100,000	-	100,000	100,000	79	100,000	-	100,000	-
Hot Water 23-24 Emer. Project #1	200,000	200,000	-	164,511	164,511	35,489	164,511	-	164,511	-
Roof 23/24 Emer. Project #1	225,000	225,000	-	152,160	152,160	72,840	152,160	-	152,160	-
2023 \$33.1 Million Project	<u>33,100,000</u>	<u>33,100,000</u>	<u>701,539</u>	<u>1,346,666</u>	<u>2,048,205</u>	<u>31,051,795</u>	<u>5,000,000</u>	<u>-</u>	<u>5,000,000</u>	<u>2,951,795</u>
TOTAL	<u>\$ 36,080,954</u>	<u>\$ 36,080,954</u>	<u>\$ 2,304,741</u>	<u>\$ 1,978,254</u>	<u>\$ 4,282,995</u>	<u>\$ 31,798,038</u>	<u>\$ 6,171,671</u>	<u>\$ 908,859</u>	<u>\$ 7,080,530</u>	<u>\$ 2,797,535</u>

Supplementary Information
CATO-MERIDIAN CENTRAL SCHOOL DISTRICT, NEW YORK
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2024

	Special			Debt	Total
	Revenue Funds				
	Special	School	Miscellaneous	Service	Nonmajor
	Aid	Lunch	Special Revenue	Fund	Governmental
	Fund	Fund	Fund	Fund	Funds
ASSETS					
Cash and cash equivalents	\$ 38,714	\$ 723	\$ 28,047	\$ 4,839	\$ 72,323
Receivables	331,484	40,396	-	-	371,880
Inventories	-	2,643	-	-	2,643
Due from other funds	-	305,707	-	615,881	921,588
TOTAL ASSETS	\$ 370,198	\$ 349,469	\$ 28,047	\$ 620,720	\$ 1,368,434
LIABILITIES AND FUND BALANCES					
<u>Liabilities -</u>					
Accrued liabilities	\$ 4,037	\$ -	\$ -	\$ -	\$ 4,037
Due to other funds	248,109	(17,843)	-	-	230,266
Due to other governments	-	27	-	-	27
Unearned revenue	96,952	23,116	-	-	120,068
TOTAL LIABILITIES	\$ 349,098	\$ 5,300	\$ -	\$ -	\$ 354,398
<u>Fund Balances -</u>					
Nonspendable	\$ -	\$ 2,643	\$ -	\$ -	\$ 2,643
Restricted	-	-	28,047	620,720	648,767
Assigned	21,100	341,526	-	-	362,626
TOTAL FUND BALANCE	\$ 21,100	\$ 344,169	\$ 28,047	\$ 620,720	\$ 1,014,036
TOTAL LIABILITIES AND					
FUND BALANCES	\$ 370,198	\$ 349,469	\$ 28,047	\$ 620,720	\$ 1,368,434

Supplementary Information
CATO-MERIDIAN CENTRAL SCHOOL DISTRICT, NEW YORK
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For The Year Ended June 30, 2024

	Special Revenue Funds			Debt Service Fund	Total Nonmajor Governmental Funds
	Special Aid Fund	School Lunch Fund	Miscellaneous Special Revenue Fund		
REVENUES					
Use of money and property	\$ 5	\$ -	\$ 6	\$ 3,379	\$ 3,390
Miscellaneous	198,947	73	16,236	-	215,256
State sources	431,434	187,611	-	-	619,045
Federal sources	1,425,467	477,605	-	-	1,903,072
Sales	-	28,150	-	-	28,150
TOTAL REVENUES	\$ 2,055,853	\$ 693,439	\$ 16,242	\$ 3,379	\$ 2,768,913
EXPENDITURES					
General support	\$ 28,662	\$ -	\$ -	\$ -	\$ 28,662
Instruction	1,627,993	-	-	-	1,627,993
Pupil transportation	26,071	-	-	-	26,071
Community services	187,286	-	-	-	187,286
Employee benefits	203,562	-	-	-	203,562
Cost of sales	-	43,857	-	-	43,857
Other expenses	-	488,163	12,770	-	500,933
TOTAL EXPENDITURES	\$ 2,073,574	\$ 532,020	\$ 12,770	\$ -	\$ 2,618,364
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (17,721)	\$ 161,419	\$ 3,472	\$ 3,379	\$ 150,549
OTHER FINANCING SOURCES (USES)					
Transfers - in	\$ 9,447	\$ -	\$ -	\$ -	\$ 9,447
Premium on obligations issued	-	-	-	2,181	2,181
TOTAL OTHER FINANCING SOURCES (USES)	\$ 9,447	\$ -	\$ -	\$ 2,181	\$ 11,628
NET CHANGE IN FUND BALANCE	\$ (8,274)	\$ 161,419	\$ 3,472	\$ 5,560	\$ 162,177
FUND BALANCE, BEGINNING OF YEAR	29,374	182,750	24,575	615,160	851,859
FUND BALANCE, END OF YEAR	\$ 21,100	\$ 344,169	\$ 28,047	\$ 620,720	\$ 1,014,036

Supplementary Information
CATO-MERIDIAN CENTRAL SCHOOL DISTRICT, NEW YORK
Net Investment in Capital Assets/Right to Use Assets
For The Year Ended June 30, 2024

Capital assets/right to use assets, net		\$ 28,899,425
Add:		
Bond refunding difference	\$ 46,983	46,983
Deduct:		
Bond payable	\$ 5,955,000	
Energy performance contract	1,913,957	
Unamortized bond premium	371,304	
Assets purchased with short-term financing	154,260	8,394,521
Net Investment in Capital Assets/Right to Use Assets		\$ 20,551,887

Supplementary Information
CATO-MERIDIAN CENTRAL SCHOOL DISTRICT, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2024

<u>Grantor / Pass - Through Agency</u> <u>Federal Award Cluster / Program</u>	<u>Assistance</u> <u>Listing</u> <u>Number</u>	<u>Pass-Through</u> <u>Agency</u> <u>Number</u>	<u>Total</u> <u>Expenditures</u>
<u>U.S. Department of Education:</u>			
<u>Passed Through NYS Education Department -</u>			
<u>Special Education Cluster IDEA -</u>			
Special Education - Grants to States (IDEA, Part B)	84.027	0032-24-0090	\$ 268,370
Special Education - Preschool Grants (IDEA Preschool)	84.173	0033-24-0090	9,928
Total Special Education Cluster IDEA			\$ 278,298
<u>Education Stabilization Funds -</u>			
ARP - ESSER 3-COVID-19	84.425U	5880-21-0290	\$ 387,634
ARP- SLR Summer Enrichment-COVID-19	84.425U	5882-21-0290	52,982
ARP - SLR Comp-COVID-19	84.425U	5883-21-0290	46,925
ARP - SLR Learning Loss-COVID-19	84.425U	5884-21-0290	360,403
Total Education Stabilization Funds			\$ 847,944
Title IIA - Supporting Effective Instruction State Grant	84.367	0147-24-0290	29,129
Title IV - Student Support and Enrichment Program	84.424A	0204-24-0090	17,664
Title IV - Student Support and Enrichment Program	84.424F	0248-24-1029	16,000
Title I - Grants to Local Educational Agencies	84.010	0021-24-0290	236,432
Total U.S. Department of Education			\$ 1,425,467
<u>U.S. Department of Homeland Security:</u>			
<u>Passed through the NYS Division of Homeland Security and Emergency Services -</u>			
Homeland Security Grant - FEMA	97.036	N/A	\$ 14,976
Total U.S. Department of Homeland Security			\$ 14,976
<u>U.S. Department of Agriculture:</u>			
<u>Passed Through NYS Education Department -</u>			
<u>Child Nutrition Cluster -</u>			
National School Lunch Program	10.555	050401040000	\$ 275,662
National School Lunch Program-Non-Cash Assistance (Commodities)	10.555	050401040000	39,339
Supply Chain Assistance-COVID-19	10.555	050401040000	44,436
National Summer Food Service program	10.559	050401040000	6,596
National School Breakfast Program	10.553	050401040000	111,572
Total Child Nutrition Cluster			\$ 477,605
Total U.S. Department of Agriculture			\$ 477,605
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,918,048



BUSINESS
ADVISORS
AND CPAS

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

Independent Auditor's Report

To the Board of Education
Cato-Meridian Central School District, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cato-Meridian Central School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 2, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Mengel, Metzger, Baw & Co. LLP

Rochester, New York
October 2, 2024