

**CATO - MERIDIAN CENTRAL SCHOOL DISTRICT**

**BASIC FINANCIAL STATEMENTS**

**For Year Ended June 30, 2023**



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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, 2023, 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, 2023, 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 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, 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 11, 2023 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 11, 2023

**Cato - Meridian Central School District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2023**

The following is a discussion and analysis of the Cato – Meridian Central School District's financial performance for the fiscal year ended June 30, 2023. 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 \$12,945,399 (net position), an increase of \$3,277,681 from the prior year.

As of the close of the fiscal year, the School District's governmental funds reported combined fund balances of \$11,411,053, an increase of \$2,856,461, in comparison with the prior year.

General revenues, which include Federal and State Aid and Real Property Taxes, accounted for \$23,404,393, 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 \$3,023,437, 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**

	<b>Government-Wide Statements</b>	<b>Fund Financial Statements</b>	
		<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, 2023 than the year before, increasing 34% to \$12,945,399, as shown in table below.

	<u>Governmental Activities</u>		<u>Total</u>
	<u>2023</u>	<u>2022</u>	<u>Variance</u>
<b><u>ASSETS:</u></b>			
Current and Other Assets	\$ 13,061,769	\$ 18,232,116	\$ (5,170,347)
Capital Assets	28,929,959	29,926,331	(996,372)
<b>Total Assets</b>	<b><u>\$ 41,991,728</u></b>	<b><u>\$ 48,158,447</u></b>	<b><u>\$ (6,166,719)</u></b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES:</u></b>			
Deferred Outflows of Resources	<b><u>\$ 8,362,482</u></b>	<b><u>\$ 6,892,478</u></b>	<b><u>\$ 1,470,004</u></b>
<b><u>LIABILITIES:</u></b>			
Long-Term Debt Obligations	\$ 32,270,168	\$ 31,557,219	\$ 712,949
Other Liabilities	1,680,342	1,811,054	(130,712)
<b>Total Liabilities</b>	<b><u>\$ 33,950,510</u></b>	<b><u>\$ 33,368,273</u></b>	<b><u>\$ 582,237</u></b>
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>			
Deferred Inflows of Resources	<b><u>\$ 3,458,301</u></b>	<b><u>\$ 12,014,934</u></b>	<b><u>\$ (8,556,633)</u></b>
<b><u>NET POSITION:</u></b>			
Net Investment in Capital Assets	\$ 18,311,117	\$ 17,100,985	\$ 1,210,132
<u>Restricted For:</u>			
Capital Projects	4,298,461	-	4,298,461
Reserve for ERS	1,011,000	411,000	600,000
Capital Reserve	2,297,389	3,855,000	(1,557,611)
Other Purposes	2,423,844	3,172,139	(748,295)
Unrestricted	(15,396,412)	(14,871,406)	(525,006)
<b>Total Net Position</b>	<b><u>\$ 12,945,399</u></b>	<b><u>\$ 9,667,718</u></b>	<b><u>\$ 3,277,681</u></b>

### Key Variances

- Current and Other Assets decreased as a result of the NYS ERS and TRS pension systems no longer reporting a net pension asset
- Deferred Inflows of Resources decreased as a result of decreases to the pension system amortization of the net differences between projected and actual earnings on plan investments.

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 four restricted net asset balances; Capital Projects, Reserve for ERS, Capital Reserves, and Other Purposes. The remaining balance of unrestricted net position is a deficit of \$15,396,412.

## Changes in Net Position

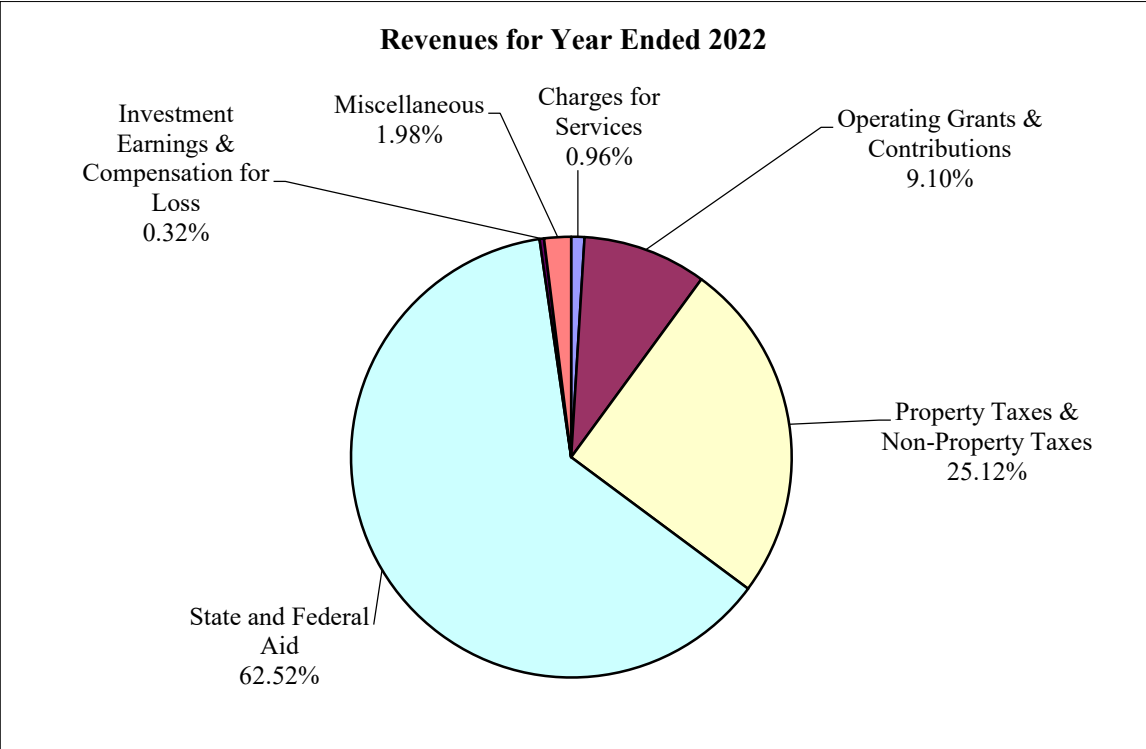
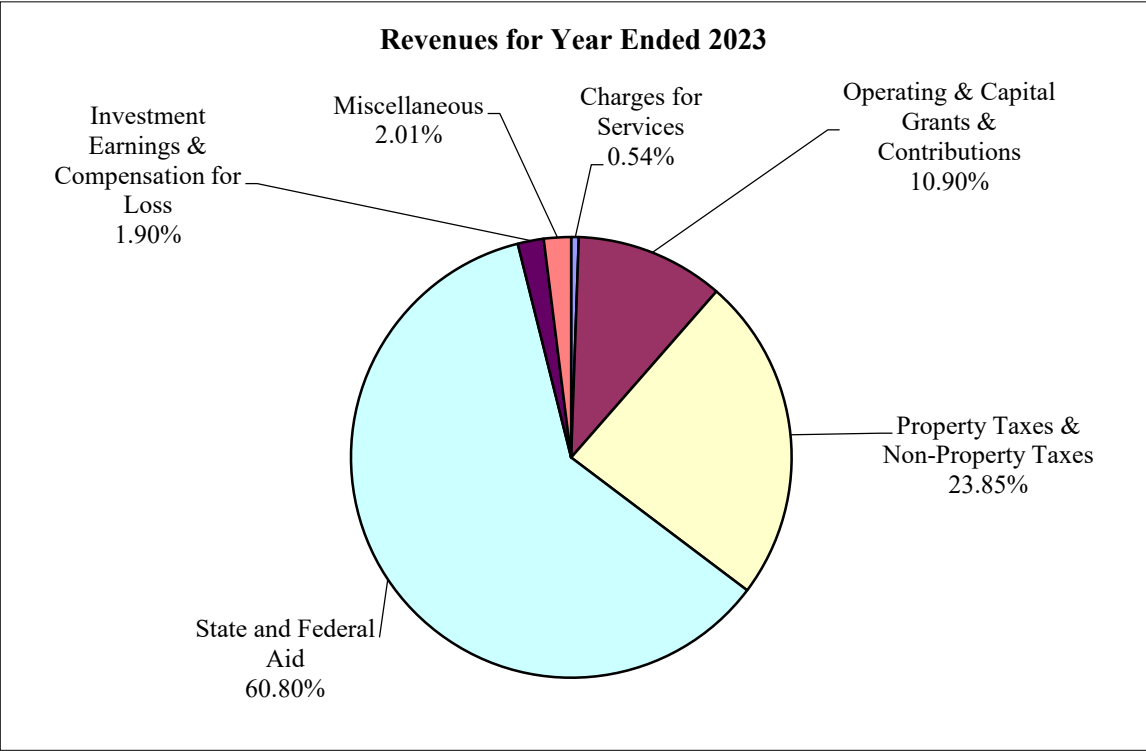
The District's total revenue increased 7% to \$26,427,830. State and federal aid (61%) and property taxes (24%) accounted for most of the District's revenue. The remaining (15%) of the revenue comes from operating grants, capital grants, charges for services, non-property taxes, investment earnings, compensation for loss, and miscellaneous revenues.

The total cost of all the programs and services increased 13% to \$23,150,149. 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:

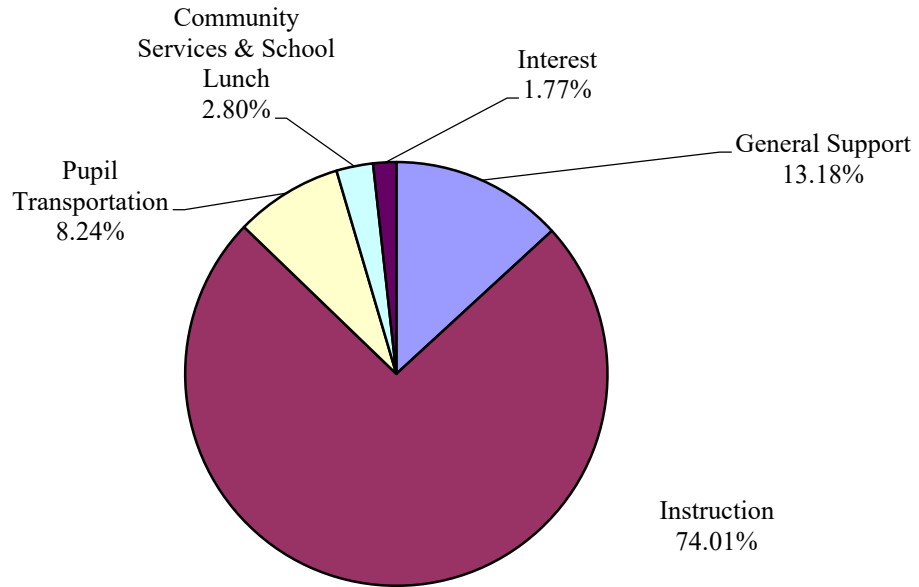
	<b>Governmental Activities</b>		<b>Total Variance</b>
	<b><u>2023</u></b>	<b><u>2022</u></b>	
<b><u>REVENUES:</u></b>			
<b><u>Program -</u></b>			
Charges for Service	\$ 317,753	\$ 238,046	\$ 79,707
Operating Grants & Contributions	2,688,391	2,253,767	434,624
Capital Grants & Contributions	17,293	-	17,293
<b>Total Program</b>	<b>\$ 3,023,437</b>	<b>\$ 2,491,813</b>	<b>\$ 531,624</b>
<b><u>General -</u></b>			
Property Taxes	\$ 6,302,341	\$ 6,220,928	\$ 81,413
Non Property Taxes	1,326	1,299	27
State and Federal Aid	16,067,003	15,488,599	578,404
Investment Earnings	423,836	62,636	361,200
Compensation for Loss	79,517	16,701	62,816
Miscellaneous	530,370	506,126	24,244
<b>Total General</b>	<b>\$ 23,404,393</b>	<b>\$ 22,296,289</b>	<b>\$ 1,108,104</b>
<b>TOTAL REVENUES</b>	<b>\$ 26,427,830</b>	<b>\$ 24,788,102</b>	<b>\$ 1,639,728</b>
<b><u>EXPENSES:</u></b>			
General Support	\$ 3,051,189	\$ 2,911,712	\$ 139,477
Instruction	16,939,068	14,823,887	2,115,181
Pupil Transportation	1,908,569	1,626,581	281,988
Community Services	306,085	229,607	76,478
School Lunch	536,654	497,687	38,967
Interest	408,584	452,077	(43,493)
<b>TOTAL EXPENSES</b>	<b>\$ 23,150,149</b>	<b>\$ 20,541,551</b>	<b>\$ 2,608,598</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 3,277,681</b>	<b>\$ 4,246,551</b>	
<b>NET POSITION, BEGINNING OF YEAR</b>	<b>9,667,718</b>	<b>5,421,167</b>	
<b>NET POSITION, END OF YEAR</b>	<b>\$ 12,945,399</b>	<b>\$ 9,667,718</b>	

## Key Variances

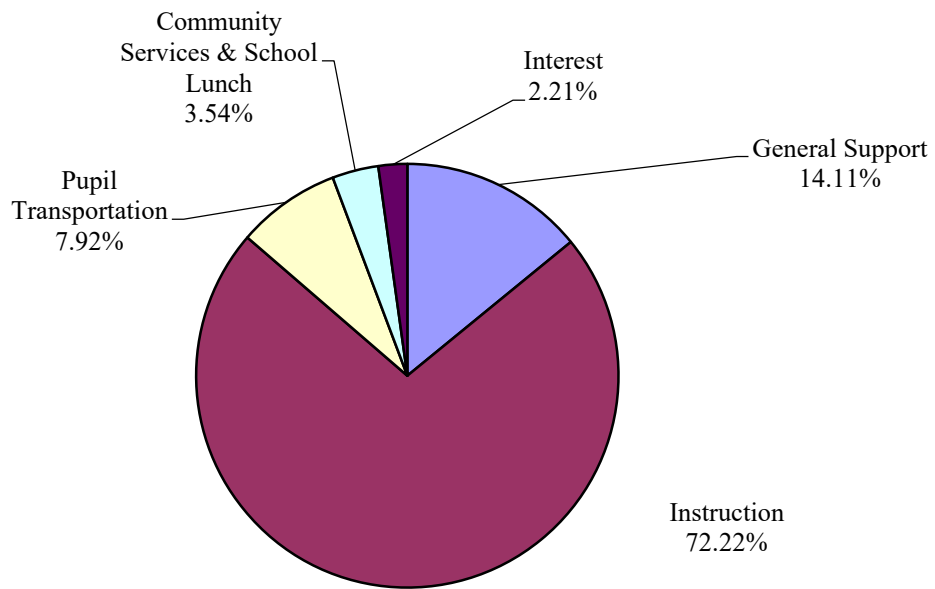
- Operating grants and contributions increased as a result of the District's utilization of available stimulus funding.
- State and Federal aid increased as a result of additional state aid to fully fund the foundation aid.
- Instructional expense increased due to changes in the actuarially determined liabilities for the state pension systems and OPEB.



### Expenses for Year Ended 2023



### Expenses for Year Ended 2022



**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 \$11,411,053 which is more than last year's ending fund balance of \$8,554,592.

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 \$6,675,611. Fund balance for the General Fund decreased by \$1,664,749 compared with the prior year. See table below:

<b><u>General Fund Balances:</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>Total Variance</u></b>
Nonspendable	\$ -	\$ 582,430	\$ (582,430)
Restricted	5,092,498	6,810,405	(1,717,907)
Assigned	609,835	22,406	587,429
Unassigned	973,278	925,119	48,159
<b>Total General Fund Balances</b>	<b><u>\$ 6,675,611</u></b>	<b><u>\$ 8,340,360</u></b>	<b><u>\$ (1,664,749)</u></b>

**General Fund Budgetary Highlights**

The difference between the original budget and the final amended budget was \$5,288,654. This change is attributable to \$22,406 of carryover encumbrances from the 2021-22 school year, \$75,000 for Board resolution 12/12/22 emergency project, \$5,000,000 for voter approved capital project, \$71,452 for insurance recovery, \$118,605 for students with disabilities, and \$1,191 for additional encumbrance carryover

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

<b>Expenditure Items:</b>	<b>Budget Variance Original Vs. Amended</b>	<b>Explanation for Budget Variance</b>
Transfers-Out	\$5,075,000	Emergency Project (Portico Stabilization, Local Share transfer from reserves for the 33.1 million Capital Project 2023).

<b>Revenue Items:</b>	<b>Budget Variance Amended Vs. Actual</b>	<b>Explanation for Budget Variance</b>
Use of Money and Property	\$353,359	BOCES Rent, Fees for Service, Sale of Equipment,
Miscellaneous	\$448,329	BOCES refund was not included as an expected revenue.
State Sources	(\$352,798)	This is due to changes in expense based aids.
<b>Expenditure Items:</b>	<b>Budget Variance Amended Vs. Actual</b>	<b>Explanation for Budget Variance</b>
General Support	\$395,410	Conservative budgeting and the offsetting of expenses through the use of stimulus funds.
Instructional	\$1,776,364	Conservative budgeting and the offsetting of expenses through the use of stimulus funds.
Employee Benefits	\$472,658	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 2023 fiscal year, the District had invested \$28,660,473 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>2023</u>	<u>2022</u>
<b><u>Capital Assets:</u></b>		
Land	\$ 52,600	\$ 52,600
Work in Progress	701,539	135,951
Buildings and Improvements	26,456,919	27,894,408
Machinery and Equipment	1,449,415	1,421,082
<b>Total Capital Assets</b>	<b><u>\$ 28,660,473</u></b>	<b><u>\$ 29,504,041</u></b>
<b><u>Lease Assets:</u></b>		
Equipment	\$ 269,486	\$ 422,290
<b>Total Lease Assets</b>	<b><u>\$ 269,486</u></b>	<b><u>\$ 422,290</u></b>

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

## Long-Term Debt

At year-end, the District had \$32,270,168 in general obligation bonds and other long-term debt outstanding as follows:

<u>Type</u>	<u>2023</u>	<u>2022</u>
Serial Bonds	7,765,000	\$ 9,615,000
Lease Liability	34,770	60,298
Unamortized Bond Premium	437,723	510,543
Energy Performance Contract	2,059,031	2,199,878
OPEB	19,665,247	19,009,039
Net Pension Liability	2,178,410	0
Compensated Absences	129,987	162,461
<b>Total Long-Term Obligations</b>	<b>\$ 32,270,168</b>	<b>\$ 31,557,219</b>

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 funds no longer available by 2024. The solar project will have unknown impacts due to the unknowns related to any potential 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 over time provide more stability but until the project is aided there will be decreases in debt service revenue from the state.

The district also continues to demonstrate declining enrollment and increasing rates of students from poverty as evidenced by our increased free and reduced lunch percentages. These factors may result in students who require a more diverse and intense array of education services.

### 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, 2023**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 10,586,030
Accounts receivable	2,472,794
Inventories	2,945
<b>Capital Assets:</b>	
Land	52,600
Work in progress	701,539
Other capital assets (net of depreciation)	28,175,820
<b>TOTAL ASSETS</b>	<b><u>\$ 41,991,728</u></b>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources	<b><u>\$ 8,362,482</u></b>
 <b>LIABILITIES</b>	
Accrued liabilities	\$ 44,347
Unearned revenues	26,017
Due to other governments	175
Due to teachers' retirement system	864,198
Due to employees' retirement system	66,004
Bond anticipation notes payable	465,000
Other Liabilities	214,601
<b>Long-Term Obligations:</b>	
Due in one year	2,086,389
Due in more than one year	30,183,779
<b>TOTAL LIABILITIES</b>	<b><u>\$ 33,950,510</u></b>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources	<b><u>\$ 3,458,301</u></b>
 <b>NET POSITION</b>	
Net investment in capital assets	\$ 18,311,117
<b>Restricted For:</b>	
Capital projects	4,298,461
Reserve for employee retirement system	1,011,000
Capital reserves	2,297,389
Other purposes	2,423,844
Unrestricted	(15,396,412)
<b>TOTAL NET POSITION</b>	<b><u>\$ 12,945,399</u></b>

(See accompanying notes to financial statements)



**CATO-MERIDIAN CENTRAL SCHOOL DISTRICT, NEW YORK**

**Statement of Activities**

**For The Year Ended June 30, 2023**

<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>
<b><u>Primary Government -</u></b>					
General support	\$ 3,051,189	\$ -	\$ -	\$ -	\$ (3,051,189)
Instruction	16,939,068	98,155	2,209,607	17,293	(14,614,013)
Pupil transportation	1,908,569	-	-	-	(1,908,569)
Community services	306,085	176,068	20,271	-	(109,746)
School lunch	536,654	43,530	458,513	-	(34,611)
Interest	408,584	-	-	-	(408,584)
<b>Total Primary Government</b>	<b><u>\$ 23,150,149</u></b>	<b><u>\$ 317,753</u></b>	<b><u>\$ 2,688,391</u></b>	<b><u>\$ 17,293</u></b>	<b><u>\$ (20,126,712)</u></b>
<b>General Revenues:</b>					
Property taxes					\$ 6,302,341
Non property taxes					1,326
State and federal aid					16,067,003
Investment earnings					423,836
Compensation for loss					79,517
Miscellaneous					530,370
<b>Total General Revenues</b>					<b><u>\$ 23,404,393</u></b>
Changes in Net Position					\$ 3,277,681
<b>Net Position, Beginning of Year</b>					<u>9,667,718</u>
<b>Net Position, End of Year</b>					<b><u>\$ 12,945,399</u></b>

**CATO-MERIDIAN CENTRAL SCHOOL DISTRICT, NEW YORK**

**Balance Sheet**

**Governmental Funds**

**June 30, 2023**

<b>ASSETS</b>	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
Cash and cash equivalents	\$ 10,511,494	\$ -	\$ 74,536	\$ 10,586,030
Receivables	1,604,076	239,624	629,094	2,472,794
Inventories	-	-	2,945	2,945
Due from other funds	316,376	4,124,783	805,883	5,247,042
<b>TOTAL ASSETS</b>	<b>\$ 12,431,946</b>	<b>\$ 4,364,407</b>	<b>\$ 1,512,458</b>	<b>\$ 18,308,811</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities -</b>				
Accrued liabilities	\$ 10,891	\$ -	\$ 3,830	\$ 14,721
Notes payable - bond anticipation notes	-	465,000	-	465,000
Due to other funds	4,600,641	15,824	630,577	5,247,042
Due to other governments	-	-	175	175
Due to TRS	864,198	-	-	864,198
Due to ERS	66,004	-	-	66,004
Other liabilities	214,601	-	-	214,601
Unearned revenue	-	-	26,017	26,017
<b>TOTAL LIABILITIES</b>	<b>\$ 5,756,335</b>	<b>\$ 480,824</b>	<b>\$ 660,599</b>	<b>\$ 6,897,758</b>
<b>Fund Balances -</b>				
Nonspendable	\$ -	\$ -	\$ 2,945	\$ 2,945
Restricted	5,092,498	4,298,461	639,735	10,030,694
Assigned	609,835	-	209,179	819,014
Unassigned	973,278	(414,878)	-	558,400
<b>TOTAL FUND BALANCE</b>	<b>\$ 6,675,611</b>	<b>\$ 3,883,583</b>	<b>\$ 851,859</b>	<b>\$ 11,411,053</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 12,431,946</b>	<b>\$ 4,364,407</b>	<b>\$ 1,512,458</b>	

**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.	28,929,959
Interest is accrued on outstanding bonds in the statement of net position but not in the funds.	(29,626)
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	(7,765,000)
Leases	(34,770)
OPEB	(19,665,247)
Compensated absences	(129,987)
Unamortized bond premium	(437,723)
Energy performance contract	(2,059,031)
Deferred outflow - advanced refunding	92,560
Deferred outflow - pension	5,395,068
Deferred outflow - OPEB	2,874,854
Net pension liability	(2,178,410)
Deferred inflow - pension	(518,673)
Deferred inflow - OPEB	(2,939,628)
<b>Net Position of Governmental Activities</b>	<b>\$ 12,945,399</b>

**CATO-MERIDIAN CENTRAL SCHOOL DISTRICT, NEW YORK**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For The Year Ended June 30, 2023**

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Real property taxes and tax items	\$ 6,302,341	\$ -	\$ -	\$ 6,302,341
Non-property taxes	1,326	-	-	1,326
Charges for services	98,155	-	-	98,155
Use of money and property	415,459	-	8,377	423,836
Sale of property and compensation for loss	79,517	-	-	79,517
Miscellaneous	510,057	-	220,247	730,304
State sources	15,967,028	17,293	425,221	16,409,542
Federal sources	99,975	-	2,236,356	2,336,331
Sales	-	-	43,530	43,530
<b>TOTAL REVENUES</b>	<b>\$ 23,473,858</b>	<b>\$ 17,293</b>	<b>\$ 2,933,731</b>	<b>\$ 26,424,882</b>
<b>EXPENDITURES</b>				
General support	\$ 2,401,300	\$ -	\$ -	\$ 2,401,300
Instruction	10,068,972	-	1,663,200	11,732,172
Pupil transportation	1,150,080	233,521	22,500	1,406,101
Community services	-	-	172,799	172,799
Employee benefits	3,809,363	-	244,935	4,054,298
Debt service - principal	2,411,375	-	-	2,411,375
Debt service - interest	426,698	-	-	426,698
Cost of sales	-	-	44,134	44,134
Other expenses	-	-	430,546	430,546
Capital outlay	-	886,946	-	886,946
<b>TOTAL EXPENDITURES</b>	<b>\$ 20,267,788</b>	<b>\$ 1,120,467</b>	<b>\$ 2,578,114</b>	<b>\$ 23,966,369</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 3,206,070</b>	<b>\$ (1,103,174)</b>	<b>\$ 355,617</b>	<b>\$ 2,458,513</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers - in	\$ 306,620	\$ 5,168,114	\$ 9,325	\$ 5,484,059
Transfers - out	(5,177,439)	-	(306,620)	(5,484,059)
BAN's redeemed from appropriations	-	395,000	-	395,000
Premium on obligations issued	-	-	2,948	2,948
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ (4,870,819)</b>	<b>\$ 5,563,114</b>	<b>\$ (294,347)</b>	<b>\$ 397,948</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (1,664,749)</b>	<b>\$ 4,459,940</b>	<b>\$ 61,270</b>	<b>\$ 2,856,461</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>				
	8,340,360	(576,357)	790,589	8,554,592
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 6,675,611</b>	<b>\$ 3,883,583</b>	<b>\$ 851,859</b>	<b>\$ 11,411,053</b>

(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, 2023**

**NET CHANGE IN FUND BALANCES -**

**TOTAL GOVERNMENTAL FUNDS** \$ 2,856,461

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	\$ 886,946	
Additions to Assets, Net	169,532	
Depreciation	<u>(2,052,850)</u>	(996,372)

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	\$ 2,411,375	
Proceeds from BAN Redemption	(395,000)	
Unamortized Bond Premium	<u>72,820</u>	2,089,195

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (10,536)

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. (64,669)

(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		(272,762)
Employees' Retirement System		(249,492)

Portion of deferred (inflow) / outflow recognized in long term debt (44,170)

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>(29,974)</u>
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**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ 3,277,681**

**CATO-MERIDIAN CENTRAL SCHOOL DISTRICT, NEW YORK**

**Statement of Fiduciary Net Position**

**June 30, 2023**

	<b>Custodial Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 132,323
<b>TOTAL ASSETS</b>	<b><u>\$ 132,323</u></b>
<b>NET POSITION</b>	
Restricted for individuals, organizations and other governments	\$ 132,323
<b>TOTAL NET POSITION</b>	<b><u><u>\$ 132,323</u></u></b>

**Statement of Changes in Fiduciary Net Position**

**For The Year Ended June 30, 2023**

	<b>Custodial Funds</b>
<b>ADDITIONS</b>	
Library taxes	\$ 75,000
Student activity	116,096
<b>TOTAL ADDITIONS</b>	<b><u>\$ 191,096</u></b>
<b>DEDUCTIONS</b>	
Student activity	\$ 107,620
Library taxes	75,000
<b>TOTAL DEDUCTIONS</b>	<b><u>\$ 182,620</u></b>
<b>CHANGE IN NET POSITION</b>	\$ 8,476
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>123,847</u>
<b>NET POSITION, END OF YEAR</b>	<b><u><u>\$ 132,323</u></u></b>

# CATO - MERIDIAN CENTRAL SCHOOL DISTRICT, NEW YORK

## Notes To The Basic Financial Statements

June 30, 2023

### 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 as an agency for various student organizations in an agency 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 \$3,331,444 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$1,761,997.

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 22, 2022. Taxes are collected during the period September 1 to November 15, 2022.

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 VII 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. A capitalization threshold of \$5,000 is used to report capital assets. The range of estimated useful lives by type of assets is as follows:

<u>Class</u>	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 50,000	SL	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)

	<b><u>Total</u></b>
Unemployment Costs	\$ 604,148
Retirement Contribution - TRS	449,974
Insurance	600,000
Debt Services	615,160
Scholarships	24,575
Employee Benefit Accrued Liability	<u>129,987</u>
<b>Total Net Position - Restricted for Other Purposes</b>	<b><u><u>\$ 2,423,844</u></u></b>

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 \$15,396,412 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:

	<b><u>Total</u></b>
Inventory in School Lunch	\$ 2,945
<b>Total Nonspendable Fund Balance</b>	<b><u><u>\$ 2,945</u></u></b>

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	\$ 2,297,389	\$ 2,297,389

**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 §6r 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:

	<b><u>Total</u></b>
<b><u>General Fund -</u></b>	
Unemployment Costs	\$ 604,148
Retirement Contribution - ERS	1,011,000
Retirement Contribution - TRS	449,974
Insurance	600,000
Capital Reserves	2,297,389
Employee Benefit Accrued Liability	129,987
<b><u>Capital Fund -</u></b>	
2023 33.1 Million Project	4,298,461
<b><u>Miscellaneous Special Revenue Fund -</u></b>	
Scholarships	24,575
<b><u>Debt Service Fund -</u></b>	
Debt Service	615,160
<b>Total Restricted Fund Balance</b>	<b><u><u>\$ 10,030,694</u></u></b>

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, 2023.

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 \$35,000, and the Capital Projects Fund to be in excess of \$3,750. The District reports the following significant encumbrances:

<b><u>General Fund -</u></b>	
General Support	\$ 70,625
Instruction	\$ 40,023
Pupil Transportation	\$ 49,187
<b><u>Capital Projects Fund -</u></b>	
Capital Improvements	\$ 2,678,322

Assigned fund balances include the following:

	<b><u>Total</u></b>
General Fund - Encumbrances	\$ 159,835
General Fund - Appropriated for Emergency Project	200,000
General Fund - Appropriated for Taxes	250,000
Special Aid Fund - Recreation Center	29,374
School Lunch Fund - Year End Equity	179,805
<b>Total Assigned Fund Balance</b>	<b><u><u>\$ 819,014</u></u></b>

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, 2023, the District implemented the following new standards issued by GASB:

GASB has issued Statement No. 91, *Conduit Debt Obligations*.

GASB has issued Statement No. 93, *Replacement of Interbank Offered Rates, Paragraph 11b*.

GASB has issued Statement No. 96, *Subscription Based Information Technology*.

GASB has issued Statement No. 99, *Omnibus 2022 (leases, PPPs, and SBITAs)*.

**V. Future Changes in Accounting Standards**

GASB has issued Statement No. 100, *Accounting for Changes and Error Corrections-an Amendment of GASB Statement No. 62*, which will be effective for reporting periods beginning after June 15, 2023.

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

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. Changes in Accounting Principles**

For the year ended June 30, 2023, the District implemented GASB Statement No. 96, *Subscription Based Information Technology Arrangements (SBITA)*. The implementation of the statement changes the reporting for SBITAs. There was no financial statement impact for the implementation of the Statement.

**III. 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.

### ( III. ) (Continued)

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 2022-23 by \$22,406 for carryover encumbrances. The budget was also increased by \$75,000 for an emergency repair project, \$71,452 for an insurance recovery, \$118,605 for unanticipated excess cost students, \$1,191 for an additional encumbrance carryover, and \$5,000,000 for a voter approved transfer to begin a capital project.

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 \$414,878 at June 30, 2023, 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).

### **IV. 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.

( IV. ) (Continued)

**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.

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		1,923,496
Collateralized within Trust Department or Agent		514,132
<b>Total</b>	<b>\$</b>	<b><u>2,437,628</u></b>

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 \$10,030,694 within the governmental funds and \$132,323 in the fiduciary funds.

**V. 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 \$8,365,085, which consisted of \$2,500,324 in repurchase agreements, \$4,816,616 in U.S. Treasury Securities, \$199,925 in FDIC insured deposits and \$848,220 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	\$ 7,859,815	\$ 7,859,815	NYCLASS
Debt Service	\$ 505,270	\$ 505,270	NYCLASS

**VI. Receivables**

Receivables at June 30, 2023 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	\$ 4,087	\$ -	\$ 406	\$ 4,493
Due From State and Federal	276,663	239,624	628,688	1,144,975
Due From Other Governments	1,323,326	-	-	1,323,326
<b>Total Receivables</b>	<b>\$ 1,604,076</b>	<b>\$ 239,624</b>	<b>\$ 629,094</b>	<b>\$ 2,472,794</b>

**VII. Interfund Receivables, Payables, Revenues, and Expenditures**

Interfund Receivables, Payables, Revenues, and Expenditures at June 30, 2023 were as follows:

	<b>Interfund</b>			
	<u>Receivables</u>	<u>Payables</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 316,376	\$ 4,600,641	\$ 306,620	\$ 5,177,439
Capital Projects Fund	4,124,783	15,824	5,168,114	-
Nonmajor Funds	805,883	630,577	9,325	306,620
<b>Total</b>	<b>\$ 5,247,042</b>	<b>\$ 5,247,042</b>	<b>\$ 5,484,059</b>	<b>\$ 5,484,059</b>

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.

**VIII. Capital Assets and Lease Assets**

**A. Capital Assets**

Capital asset balances and activity were as follows:

<u>Type</u>	<u>Balance</u> <u>7/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2023</u>
<b><u>Governmental Activities:</u></b>				
<b><u>Capital Assets that are not Depreciated -</u></b>				
Land	\$ 52,600	\$ -	\$ -	\$ 52,600
Work in progress	135,951	886,946	321,358	701,539
<i>Total Nondepreciable</i>	<u>\$ 188,551</u>	<u>\$ 886,946</u>	<u>\$ 321,358</u>	<u>\$ 754,139</u>
<b><u>Capital Assets that are Depreciated -</u></b>				
Buildings and Improvements	\$ 51,335,485	\$ 168,114	\$ -	\$ 51,503,599
Machinery and equipment	3,281,722	335,279	657,465	2,959,536
<i>Total Depreciated Assets</i>	<u>\$ 54,617,207</u>	<u>\$ 503,393</u>	<u>\$ 657,465</u>	<u>\$ 54,463,135</u>
<b><u>Less Accumulated Depreciation -</u></b>				
Buildings and Improvements	\$ 23,441,077	\$ 1,605,603	\$ -	\$ 25,046,680
Machinery and equipment	1,860,640	294,443	644,962	1,510,121
<i>Total Accumulated Depreciation</i>	<u>\$ 25,301,717</u>	<u>\$ 1,900,046</u>	<u>\$ 644,962</u>	<u>\$ 26,556,801</u>
<i>Total Capital Assets Depreciated, Net of Accumulated Depreciation</i>	<u>\$ 29,315,490</u>	<u>\$ (1,396,653)</u>	<u>\$ 12,503</u>	<u>\$ 27,906,334</u>
<b>Total Capital Assets</b>	<b><u>\$ 29,504,041</u></b>	<b><u>\$ (509,707)</u></b>	<b><u>\$ 333,861</u></b>	<b><u>\$ 28,660,473</u></b>

( VIII. ) (Continued)

**B. Lease Assets**

A summary of the lease asset activity during the year ended June 30, 2023 is as follows:

<u>Type</u>	<u>Balance</u> <u>7/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2023</u>
<b><u>Lease Assets:</u></b>				
Equipment	\$ 749,157	\$ -	\$ 77,744	\$ 671,413
<i>Total Lease Assets</i>	<u>\$ 749,157</u>	<u>\$ -</u>	<u>\$ 77,744</u>	<u>\$ 671,413</u>
<b><u>Less Accumulated Amortization -</u></b>				
Equipment	\$ 326,867	\$ 152,804	\$ 77,744	\$ 401,927
<i>Total Accumulated Amortization</i>	<u>\$ 326,867</u>	<u>\$ 152,804</u>	<u>\$ 77,744</u>	<u>\$ 401,927</u>
<i>Total Lease Assets, Net</i>	<u>\$ 422,290</u>	<u>\$ (152,804)</u>	<u>\$ -</u>	<u>\$ 269,486</u>

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

Depreciated Capital Assets, net	\$ 27,906,334
Amortized Lease Assets, net	269,486
<b>Total Other Capital Assets, net</b>	<u><b>\$ 28,175,820</b></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	\$ 65,813	\$ -	\$ 65,813
Instruction	1,506,390	152,804	1,659,194
Pupil Transportation	249,244	-	249,244
School Lunch	78,599	-	78,599
<b>Total Depreciation and Amortization Expense</b>	<u><b>\$ 1,900,046</b></u>	<u><b>\$ 152,804</b></u>	<u><b>\$ 2,052,850</b></u>

**IX. 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>7/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2023</u>
BAN	2023	4.00%	\$ -	\$ 465,000	\$ -	\$ 465,000
BAN	2023	0.29%	620,000	-	620,000	-
<b>Total Short-Term Debt</b>			<u><b>\$ 620,000</b></u>	<u><b>\$ 465,000</b></u>	<u><b>\$ 620,000</b></u>	<u><b>\$ 465,000</b></u>

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

Interest Paid	\$ 1,793
Less: Interest Accrued in the Prior Year	(1,378)
Plus: Interest Accrued in the Current Year	14,312
<b>Total Short-Term Interest Expense</b>	<u><b>\$ 14,727</b></u>

**X. Long-Term Debt Obligations**

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

	<u>Balance</u> <u>7/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2023</u>	<u>Due Within</u> <u>One Year</u>
<b><u>Governmental Activities:</u></b>					
<b><u>Bonds and Notes Payable -</u></b>					
Serial Bonds	\$ 9,615,000	\$ -	\$ 1,850,000	\$ 7,765,000	\$ 1,810,000
Lease Liability	60,298	-	25,528	34,770	25,998
Unamortized Bond Premium	510,543	-	72,820	437,723	72,820
Energy Performance Contracts	2,199,878	-	140,847	2,059,031	145,074
<b>Total Bonds and Notes Payable</b>	<b>\$ 12,385,719</b>	<b>\$ -</b>	<b>\$ 2,089,195</b>	<b>\$ 10,296,524</b>	<b>\$ 2,053,892</b>
<b><u>Other Liabilities -</u></b>					
Net Pension Liability	\$ -	\$ 2,178,410	\$ -	\$ 2,178,410	\$ -
OPEB	19,009,039	656,208	-	19,665,247	-
Compensated Absences	162,461	-	32,474	129,987	32,497
<b>Total Other Liabilities</b>	<b>\$ 19,171,500</b>	<b>\$ 2,834,618</b>	<b>\$ 32,474</b>	<b>\$ 21,973,644</b>	<b>\$ 32,497</b>
<b>Total Long-Term Obligations</b>	<b>\$ 31,557,219</b>	<b>\$ 2,834,618</b>	<b>\$ 2,121,669</b>	<b>\$ 32,270,168</b>	<b>\$ 2,086,389</b>

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</u> <u>Amount</u>	<u>Issue</u> <u>Date</u>	<u>Final</u> <u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Amount</u> <u>Outstanding</u> <u>6/30/2023</u>
<b><u>Serial Bonds</u></b>					
Reconstruction	\$ 1,602,000	2010	2026	2.5%-4.0%	\$ 355,000
Reconstruction	\$ 2,225,000	2010	2024	2.5%-3.5%	110,000
Reconstruction	\$ 149,680	2013	2029	2.8%-4.3%	65,000
Refunding	\$ 8,975,000	2014	2025	2.00%-3.25%	1,645,000
Refunding	\$ 2,510,000	2015	2027	2%-4%	990,000
Construction	\$ 3,340,000	2015	2030	2%-3%	1,695,000
Construction	\$ 3,685,000	2020	2035	5.00%	2,905,000
<b>Total Serial Bonds</b>					<b>\$ 7,765,000</b>
<b><u>Energy Performance Contract</u></b>					
Energy Performance Contract	\$ 2,469,380	2019	2035	2.98%	<b>\$ 2,059,031</b>
<b><u>Leases</u></b>					
Leases	\$ 132,083	2020	2025	1.83%	<b>\$ 34,770</b>

( X. ) (Continued)

The following is a summary of debt service requirements:

<u>Year</u>	<u>Serial Bonds</u>		<u>Energy Performance Contract</u>		<u>Leases</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,810,000	\$ 299,197	\$ 145,074	\$ 60,266	\$ 25,998	\$ 419
2025	1,760,000	239,766	149,428	55,912	8,772	33
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	-	-
2029-33	1,700,000	344,765	892,965	133,735	-	-
2034-35	555,000	42,000	395,831	14,848	-	-
<b>Total</b>	<b>\$ 7,765,000</b>	<b>\$ 1,370,559</b>	<b>\$ 2,059,031</b>	<b>\$ 405,048</b>	<b>\$ 34,770</b>	<b>\$ 452</b>

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. \$540,000 of bonds outstanding are considered defeased.

Interest on long-term debt for June 30, 2023 was composed of:

Interest Paid	\$ 424,905
Less: Interest Accrued in the Prior Year	(17,712)
Less: Amortized Bond Premium	(72,820)
Plus: Refunding Bond Amortization	44,170
Plus: Interest Accrued in the Current Year	15,314
<b>Total Long-Term Interest Expense</b>	<b>\$ 393,857</b>

**XI. 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	\$ 5,395,068	\$ 518,673
Bonds	92,560	-
OPEB	2,874,854	2,939,628
<b>Total</b>	<b>\$ 8,362,482</b>	<b>\$ 3,458,301</b>



## **XII. 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](http://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](http://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 VI vary based on a sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year.

( XII. ) (Continued)

The District's share of the required contributions, based on covered payroll paid for the District's year ended June 30, 2023:

<u>Contributions</u>	<u>ERS</u>	<u>TRS</u>
2023	\$ 232,080	\$ 864,198

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

At June 30, 2023, 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, 2023 for ERS and June 30, 2022 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, 2023	June 30, 2022
Net pension assets/(liability)	\$ (1,346,913)	\$ (831,497)
District's portion of the Plan's total net pension asset/(liability)	0.006%	0.043%

For the year ended June 30, 2023, the District recognized pension expenses of \$483,435 for ERS and \$1,051,100 for TRS. At June 30, 2023 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	\$ 143,457	\$ 871,304	\$ 37,826	\$ 16,662
Changes of assumptions	654,148	1,612,964	7,230	334,951
Net difference between projected and actual earnings on pension plan investments	-	1,074,373	7,913	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	66,839	128,643	27,208	86,883
Subtotal	\$ 864,444	\$ 3,687,284	\$ 80,177	\$ 438,496
District's contributions subsequent to the measurement date	66,004	777,336	-	-
<b>Grand Total</b>	<b>\$ 930,448</b>	<b>\$ 4,464,620</b>	<b>\$ 80,177</b>	<b>\$ 438,496</b>

( XII. ) (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, 2023. 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>
2023	\$ -	\$ 622,402
2024	186,489	331,331
2025	(62,405)	(115,455)
2026	287,085	2,128,138
2027	373,098	275,758
Thereafter	-	6,614
<b>Total</b>	<b>\$ 784,267</b>	<b>\$ 3,248,788</b>

**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, 2023	June 30, 2022
Actuarial valuation date	April 1, 2022	June 30, 2021
Interest rate	5.90%	6.95%
Salary scale	4.40%	5.18% - 1.95%
Decrement tables	April 1, 2015- 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, 2023 are summarized as follows:

( XII. ) (Continued)

<b>Long Term Expected Rate of Return</b>		
	<b><u>ERS</u></b>	<b><u>TRS</u></b>
Measurement date	March 31, 2023	June 30, 2022
<b><u>Asset Type -</u></b>		
Domestic equity	4.30%	6.50%
International equity	6.85%	7.20%
Global equity	0.00%	6.90%
Private equity	7.50%	9.90%
Real estate	4.60%	6.20%
Opportunistic portfolios	5.38%	0.00%
Real assets	5.84%	0.00%
Bonds and mortgages	0.00%	0.60%
Cash	0.00%	-0.30%
Private debt	0.00%	5.30%
Real estate debt	0.00%	2.40%
High-yield fixed income securities	0.00%	3.30%
Domestic fixed income securities	0.00%	1.10%
Global fixed income securities	0.00%	0.00%
Short-term	0.00%	0.00%
Credit	5.43%	0.00%

The real rate of return is net of the long-term inflation assumption of 2.50% 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.

( XII. ) (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 :

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b><u>(4.90%)</u></b>	<b><u>(5.90%)</u></b>	<b><u>(6.90%)</u></b>
<b><u>ERS</u></b>			
Employer's proportionate share of the net pension asset (liability)	\$ (3,254,910)	\$ (1,346,913)	\$ 247,441
	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b><u>(5.95%)</u></b>	<b><u>(6.95%)</u></b>	<b><u>(7.95%)</u></b>
<b><u>TRS</u></b>			
Employer's proportionate share of the net pension asset (liability)	\$ (7,666,795)	\$ (831,497)	\$ 4,916,943

**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:

	<b>(In Thousands)</b>	
	<b><u>ERS</u></b>	<b><u>TRS</u></b>
Measurement date	March 31, 2023	June 30, 2022
Employers' total pension liability	\$ 232,627,259	\$ 133,883,474
Plan net position	211,183,223	131,964,582
Employers' net pension asset/(liability)	<b><u>\$ (21,444,036)</u></b>	<b><u>\$ (1,918,892)</u></b>
Ratio of plan net position to the employers' total pension asset/(liability)	90.78%	98.60%

( XII. ) (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 31<sup>st</sup>. Accrued retirement contributions as of June 30, 2023 represent the projected employer contribution for the period of April 1, 2020 through June 30, 2023 based on paid ERS wages multiplied by the employer’s contribution rate, by tier. Accrued retirement contributions as of June 30, 2023 amounted to \$66,004.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2023 are paid to the System in September, October and November 2023 through a state aid intercept. Accrued retirement contributions as of June 30, 2023 represent employee and employer contributions for the fiscal year ended June 30, 2023 based on paid TRS wages multiplied by the 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, 2023 amounted to \$864,198.

**XIII. 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, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	157
Active Employees	163
<b>Total</b>	<b>320</b>

**B. Total OPEB Liability**

The District’s total OPEB liability of \$19,665,247 was measured as of March 31, 2023, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs* – The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

( XIII. ) (Continued)

Inflation	2.53 percent
Salary Increases	3.53 percent, average, including inflation
Discount Rate	3.78 percent
Healthcare Cost Trend Rates	Initial rate of 5.50% decreasing to an ultimate rate of 4.00%
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, 2022	<u>\$ 19,009,039</u>
<u>Changes for the Year -</u>	
Service cost	\$ 434,382
Interest	535,106
Differences between expected and actual experience	2,649,769
Changes in assumptions or other inputs	(2,427,968)
Benefit payments	<u>(535,081)</u>
Net Changes	<u>\$ 656,208</u>
<b>Balance at June 30, 2023</b>	<b><u><u>\$ 19,665,247</u></u></b>

There were no changes in benefit terms.

The Single Discount Rate changed from 2.83% for June 30, 2022 to 3.78% effective June 30, 2023.

*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 (2.78 percent) or 1-percentage-point higher (4.78 percent) than the current discount rate:

	<b>1% Decrease</b>	<b>Discount</b>	<b>1% Increase</b>
	<b><u>(2.78%)</u></b>	<b><u>Rate</u></b>	<b><u>(4.78%)</u></b>
		<b><u>(3.78%)</u></b>	
Total OPEB Liability	\$ 23,070,710	\$ 19,665,247	\$ 16,995,653

( XIII. ) (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 (4.50 percent decreasing to 3.00 percent) or 1-percentage-point higher (6.50 percent decreasing to 4.00 percent) than the current healthcare cost trend rate:

	<b>1% Decrease (4.50% Decreasing to 3.00%)</b>	<b>Healthcare Cost Trend Rates (5.50% Decreasing to 4.00%)</b>	<b>1% Increase (6.50% Decreasing to 5.00%)</b>
Total OPEB Liability	\$ 16,800,369	\$ 19,665,247	\$ 23,348,585

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$603,580. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,741,084	\$ -
Changes of assumptions	-	2,939,628
Contributions after measurement date	133,770	-
<b>Total</b>	<b>\$ 2,874,854</b>	<b>\$ 2,939,628</b>

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

<b>Year</b>	
2024	\$ (224,631)
2025	(55,631)
2026	(1,459)
2027	34,656
2028	34,656
Thereafter	13,865
<b>Total</b>	<b>\$ (198,544)</b>



#### **XIV. 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.

#### **XV. 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.

#### **XVI. School Lunch Contract**

For the year ended June 30, 2023, 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, 2023**

<b>TOTAL OPEB LIABILITY</b>							
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Service cost	\$ 434,382	\$ 489,413	\$ 526,260	\$ 556,077	\$ 472,014	\$ 502,237	\$ 520,020
Interest	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	2,649,769	1,194,438	(644,856)	(3,998,032)	(232,340)	(1,157,601)	527,381
Changes of assumptions or other inputs	(2,427,968)	(1,738,994)	331,954	3,591,782	7,855	524,859	(1,376,079)
Benefit payments	(535,081)	(519,760)	(527,181)	(549,508)	(555,771)	(568,699)	(568,699)
<b>Net Change in Total OPEB Liability</b>	<b>\$ 656,208</b>	<b>\$ (149,141)</b>	<b>\$ 157,374</b>	<b>\$ (105,707)</b>	<b>\$ 365,292</b>	<b>\$ 10,055</b>	<b>\$ (262,713)</b>
<b>Total OPEB Liability - Beginning</b>	<b>\$ 19,009,039</b>	<b>\$ 19,158,180</b>	<b>\$ 19,000,806</b>	<b>\$ 19,106,513</b>	<b>\$ 18,741,221</b>	<b>\$ 18,731,166</b>	<b>\$ 18,993,879</b>
<b>Total OPEB Liability - Ending</b>	<b>\$ 19,665,247</b>	<b>\$ 19,009,039</b>	<b>\$ 19,158,180</b>	<b>\$ 19,000,806</b>	<b>\$ 19,106,513</b>	<b>\$ 18,741,221</b>	<b>\$ 18,731,166</b>
Covered Employee Payroll	\$ 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	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, 2023**

**NYSERS Pension Plan**

	<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)	0.0063%	0.0061%	0.0061%	0.0066196%	0.0068551%	0.0068359%	0.0078286%	0.0073236%	0.0075979%
Proportionate share of the net pension liability (assets)	\$ 1,346,913	\$ (500,785)	\$ 6,055	\$ 1,752,911	\$ 485,707	\$ 220,623	\$ 735,597	\$ 1,175,461	\$ 256,676
Covered-employee payroll	\$ 2,085,620	\$ 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	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%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

**NYSTRS Pension Plan**

	<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)	0.0433%	0.0423%	0.0456%	0.046249%	0.046967%	0.045890%	0.045680%	0.0448300%	0.0440980%
Proportionate share of the net pension liability (assets)	\$ 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	\$ 7,556,272	\$ 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	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	98.60%	113.25%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

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 District Contributions**  
**For The Year Ended June 30, 2023**

**NYSERS Pension Plan**

	<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	\$ 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	(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>
Covered-employee payroll	\$ 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	11.13%	15.84%	14.09%	13.82%	13.68%	12.26%	14.64%	16.67%	17.70%

**NYSTRS Pension Plan**

	<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	\$ 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	(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>
Covered-employee payroll	\$ 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	11.44%	10.79%	10.26%	9.57%	11.32%	11.06%	12.40%	13.95%	17.65%

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 Revenues, Expenditures and Changes in Fund Balance -**  
**Budget (Non-GAAP Basis) and Actual - General Fund**  
**For The Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Current Year's Revenues</u>	<u>Over (Under) Revised Budget</u>
<b>REVENUES</b>				
<b>Local Sources -</b>				
Real property taxes	\$ 5,516,666	\$ 5,516,666	\$ 5,441,666	\$ (75,000)
Real property tax items	848,980	848,980	860,675	11,695
Non-property taxes	1,200	1,200	1,326	126
Charges for services	63,972	63,972	98,155	34,183
Use of money and property	62,100	62,100	415,459	353,359
Sale of property and compensation for loss	3,500	74,952	79,517	4,565
Miscellaneous	61,728	61,728	510,057	448,329
<b>State Sources -</b>				
Basic formula	10,741,298	10,741,298	11,939,293	1,197,995
Lottery aid	-	-	2,183,230	2,183,230
BOCES	1,794,042	1,794,042	1,761,997	(32,045)
Textbooks	48,872	48,872	48,756	(116)
<b>All Other Aid -</b>				
Computer software	28,532	28,532	28,534	2
Library loan	5,219	5,219	5,218	(1)
Other aid	3,701,863	3,701,863	-	(3,701,863)
<b>Federal Sources</b>	<u>75,000</u>	<u>75,000</u>	<u>99,975</u>	<u>24,975</u>
<b>TOTAL REVENUES</b>	<u>\$ 22,952,972</u>	<u>\$ 23,024,424</u>	<u>\$ 23,473,858</u>	<u>\$ 449,434</u>
<b>Other Sources -</b>				
Transfer - in	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 306,620</u>	<u>\$ 306,620</u>
<b>TOTAL REVENUES AND OTHER SOURCES</b>	<u>\$ 22,952,972</u>	<u>\$ 23,024,424</u>	<u>\$ 23,780,478</u>	<u>\$ 756,054</u>
Appropriated reserves	<u>\$ 175,000</u>	<u>\$ 4,030,000</u>		
Appropriated fund balance	<u>\$ -</u>	<u>\$ 1,339,796</u>		
Prior year encumbrances	<u>\$ 22,406</u>	<u>\$ 22,406</u>		
<b>TOTAL REVENUES AND APPROPRIATED RESERVES/ FUND BALANCE</b>	<u><u>\$ 23,150,378</u></u>	<u><u>\$ 28,416,626</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, 2023**

	<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>
<b>EXPENDITURES</b>					
<b>General Support -</b>					
Board of education	\$ 36,420	\$ 39,720	\$ 27,386	\$ -	\$ 12,334
Central administration	250,500	250,500	244,624	-	5,876
Finance	292,190	294,790	259,935	-	34,855
Staff	139,521	142,721	132,687	-	10,034
Central services	1,803,747	1,871,421	1,469,919	70,625	330,877
Special items	289,357	268,183	266,749	-	1,434
<b>Instructional -</b>					
Instruction, administration and improvement	708,000	709,300	606,561	-	102,739
Teaching - regular school	5,714,757	5,747,477	4,945,803	26,012	775,662
Programs for children with handicapping conditions	2,197,100	2,484,750	2,117,486	655	366,609
Occupational education	829,102	799,102	692,736	-	106,366
Teaching - special schools	60,193	76,448	46,045	-	30,403
Instructional media	1,126,502	1,033,832	875,861	3,401	154,570
Pupil services	1,140,473	1,034,450	784,480	9,955	240,015
<b>Pupil Transportation</b>	1,343,838	1,343,838	1,150,080	49,187	144,571
<b>Employee Benefits</b>	4,282,021	4,282,021	3,809,363	-	472,658
<b>Debt service - principal</b>	2,385,847	2,411,375	2,411,375	-	-
<b>Debt service - interest</b>	425,810	426,698	426,698	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 23,025,378</u>	<u>\$ 23,216,626</u>	<u>\$ 20,267,788</u>	<u>\$ 159,835</u>	<u>\$ 2,789,003</u>
<b>Other Uses -</b>					
Transfers - out	\$ 125,000	\$ 5,200,000	\$ 5,177,439	\$ -	\$ 22,561
<b>TOTAL EXPENDITURES AND OTHER USES</b>	<u>\$ 23,150,378</u>	<u>\$ 28,416,626</u>	<u>\$ 25,445,227</u>	<u>\$ 159,835</u>	<u>\$ 2,811,564</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,664,749)</u>		
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>8,340,360</u>	<u>8,340,360</u>	<u>8,340,360</u>		
<b>FUND BALANCE, END OF YEAR</b>	<u><u>\$ 8,340,360</u></u>	<u><u>\$ 8,340,360</u></u>	<u><u>\$ 6,675,611</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, 2023**

**CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET:**

Adopted budget		\$ 23,127,972
Prior year's encumbrances		22,406
<b>Original Budget</b>		<b>\$ 23,150,378</b>
Budget revisions -		
Board resolution 12/12/22 emergency project		\$ 75,000
Voter approved capital project		5,000,000
Insurance recovery		71,452
Students with disabilities		118,605
Additional encumbrance carryover		1,191
<b>FINAL BUDGET</b>		<b>\$ 28,416,626</b>

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

2023-24 voter approved expenditure budget		\$ 23,938,295
<u>Unrestricted fund balance:</u>		
Assigned fund balance	\$ 609,835	
Unassigned fund balance	973,278	
Total Unrestricted fund balance	\$ 1,583,113	
<u>Less adjustments:</u>		
Appropriated fund balance	\$ 250,000	
Appropriated for emergency project	200,000	
Encumbrances included in assigned fund balance	159,835	
Total adjustments	\$ 609,835	
General fund fund balance subject to Section 1318 of Real Property Tax Law		973,278
<b>ACTUAL PERCENTAGE</b>		<b>4.07%</b>

**Supplementary Information**  
**CATO-MERIDIAN CENTRAL SCHOOL DISTRICT, NEW YORK**  
**CAPITAL PROJECTS FUND**  
**Schedule of Project Expenditures**  
**For The Year Ended June 30, 2023**

<u>Project Title</u>	<u>Original</u> <u>Appropriation</u>	<u>Revised</u> <u>Appropriation</u>	<u>Expenditures</u>			<u>Unexpended</u> <u>Balance</u>	<u>Methods of Financing</u>			<u>Fund</u> <u>Balance</u>
			<u>Prior</u> <u>Years</u>	<u>Current</u> <u>Year</u>	<u>Total</u>		<u>Local</u> <u>Sources</u>	<u>State</u> <u>Sources</u>	<u>Total</u>	
Buses 2020-21	\$ 355,000	\$ 355,000	\$ 287,322	\$ -	\$ 287,322	\$ 67,678	\$ 240,000	\$ -	\$ 240,000	\$ (47,322)
Buses 2021-22	303,791	303,791	294,035	-	294,035	9,756	160,000	-	160,000	(134,035)
Buses 2022-23	245,760	245,760	-	233,521	233,521	12,239	-	-	-	(233,521)
Smart Schools	1,185,295	1,185,295	771,031	17,293	788,324	396,971	-	788,324	788,324	-
Capital Outlay Project 2022-23	100,000	100,000	-	100,000	100,000	-	100,000	-	100,000	-
Emergency Project 2022-23	75,000	75,000	-	68,114	68,114	6,886	68,114	-	68,114	-
2023 \$33.1 Million Project	<u>33,100,000</u>	<u>33,100,000</u>	<u>-</u>	<u>701,539</u>	<u>701,539</u>	<u>32,398,461</u>	<u>5,000,000</u>	<u>-</u>	<u>5,000,000</u>	<u>4,298,461</u>
<b>TOTAL</b>	<b><u>\$ 35,364,846</u></b>	<b><u>\$ 35,364,846</u></b>	<b><u>\$ 1,352,388</u></b>	<b><u>\$ 1,120,467</u></b>	<b><u>\$ 2,472,855</u></b>	<b><u>\$ 32,891,991</u></b>	<b><u>\$ 5,568,114</u></b>	<b><u>\$ 788,324</u></b>	<b><u>\$ 6,356,438</u></b>	<b><u>\$ 3,883,583</u></b>

(See Independent Auditors' Report)



**Supplementary Information**  
**CATO-MERIDIAN CENTRAL SCHOOL DISTRICT, NEW YORK**  
**Combining Balance Sheet - Nonmajor Governmental Funds**  
**June 30, 2023**

	<b>Special Revenue Funds</b>				<b>Total Nonmajor Governmental Funds</b>
	<b>Special Aid Fund</b>	<b>School Lunch Fund</b>	<b>Miscellaneous Special Revenue Fund</b>	<b>Debt Service Fund</b>	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 45,222	\$ -	\$ 24,575	\$ 4,739	\$ 74,536
Receivables	598,915	30,179	-	-	629,094
Inventories	-	2,945	-	-	2,945
Due from other funds	-	195,462	-	610,421	805,883
<b>TOTAL ASSETS</b>	<b>\$ 644,137</b>	<b>\$ 228,586</b>	<b>\$ 24,575</b>	<b>\$ 615,160</b>	<b>\$ 1,512,458</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b><u>Liabilities</u> -</b>					
Accrued liabilities	\$ 3,830	\$ -	\$ -	\$ -	\$ 3,830
Due to other funds	610,933	19,644	-	-	630,577
Due to other governments	-	175	-	-	175
Unearned revenue	-	26,017	-	-	26,017
<b>TOTAL LIABILITIES</b>	<b>\$ 614,763</b>	<b>\$ 45,836</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 660,599</b>
<b><u>Fund Balances</u> -</b>					
Nonspendable	\$ -	\$ 2,945	\$ -	\$ -	\$ 2,945
Restricted	-	-	24,575	615,160	639,735
Assigned	29,374	179,805	-	-	209,179
<b>TOTAL FUND BALANCE</b>	<b>\$ 29,374</b>	<b>\$ 182,750</b>	<b>\$ 24,575</b>	<b>\$ 615,160</b>	<b>\$ 851,859</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 644,137</b>	<b>\$ 228,586</b>	<b>\$ 24,575</b>	<b>\$ 615,160</b>	<b>\$ 1,512,458</b>

**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, 2023**

	Special Revenue Funds			Debt Service Fund	Total Nonmajor Governmental Funds
	Special Aid Fund	School Lunch Fund	Miscellaneous Special Revenue Fund		
<b>REVENUES</b>					
Use of money and property	\$ 5	\$ -	\$ 5	\$ 8,367	\$ 8,377
Miscellaneous	202,882	59	17,306	-	220,247
State sources	416,445	8,776	-	-	425,221
Federal sources	1,786,619	449,737	-	-	2,236,356
Sales	-	43,530	-	-	43,530
<b>TOTAL REVENUES</b>	<b>\$ 2,405,951</b>	<b>\$ 502,102</b>	<b>\$ 17,311</b>	<b>\$ 8,367</b>	<b>\$ 2,933,731</b>
<b>EXPENDITURES</b>					
Instruction	\$ 1,663,200	\$ -	\$ -	\$ -	\$ 1,663,200
Pupil transportation	22,500	-	-	-	22,500
Community services	172,799	-	-	-	172,799
Employee benefits	244,935	-	-	-	244,935
Cost of sales	-	44,134	-	-	44,134
Other expenses	-	413,921	16,625	-	430,546
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,103,434</b>	<b>\$ 458,055</b>	<b>\$ 16,625</b>	<b>\$ -</b>	<b>\$ 2,578,114</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 302,517</b>	<b>\$ 44,047</b>	<b>\$ 686</b>	<b>\$ 8,367</b>	<b>\$ 355,617</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers - in	\$ 9,325	\$ -	\$ -	\$ -	\$ 9,325
Transfers - out	(306,620)	-	-	-	(306,620)
Premium on obligations issued	-	-	-	2,948	2,948
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ (297,295)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,948</b>	<b>\$ (294,347)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 5,222</b>	<b>\$ 44,047</b>	<b>\$ 686</b>	<b>\$ 11,315</b>	<b>\$ 61,270</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>24,152</b>	<b>138,703</b>	<b>23,889</b>	<b>603,845</b>	<b>790,589</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 29,374</b>	<b>\$ 182,750</b>	<b>\$ 24,575</b>	<b>\$ 615,160</b>	<b>\$ 851,859</b>

(See Independent Auditors' Report)

**Supplementary Information**  
**CATO-MERIDIAN CENTRAL SCHOOL DISTRICT, NEW YORK**  
**Net Investment in Capital Assets/Right to Use Assets**  
**For The Year Ended June 30, 2023**

<b>Capital assets/right to use assets, net</b>		\$ 28,929,959
 <b>Add:</b>		
Bond refunding difference	\$ 92,560	92,560
 <b>Deduct:</b>		
Bond payable	\$ 7,765,000	
Leases	34,770	
Energy performance contract	2,059,031	
Unamortized bond premium	437,723	
Assets purchased with short-term financing	414,878	
		10,711,402
 <b>Net Investment in Capital Assets/Right to Use Assets</b>		 <b>\$ 18,311,117</b>

**Supplementary Information**  
**CATO-MERIDIAN CENTRAL SCHOOL DISTRICT, NEW YORK**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For The Year Ended June 30, 2023**

<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>
<b><u>U.S. Department of Education:</u></b>			
<b><u>Passed Through NYS Education Department -</u></b>			
<b><u>Special Education Cluster IDEA -</u></b>			
Special Education - Grants to States (IDEA, Part B)	84.027	0032-23-0090	\$ 256,708
ARP - Special Education - Grants to States (IDEA, Part B)-COVID-19	84.027X	5532-22-0090	11,891
Special Education - Preschool Grants (IDEA Preschool)	84.173	0033-23-0090	9,742
ARP - Special Education - Preschool Grants (IDEA Preschool)-COVID-19	84.173X	5533-22-0090	3,221
<b><i>Total Special Education Cluster IDEA</i></b>			<b><u>\$ 281,562</u></b>
<b><u>Education Stabilization Funds -</u></b>			
ARP - Homeless II-COVID-19	84.425W	5128-21-0290	\$ 1,945
ARP - ESSER 3-COVID-19	84.425U	5880-21-0290	45,231
ARP- SLR Summer Enrichment-COVID-19	84.425U	5882-21-0290	99,423
ARP - SLR Comp-COVID-19	84.425U	5883-21-0290	38,862
ARP - SLR Learning Loss-COVID-19	84.425U	5884-21-0290	474,069
CRRSA - ESSER 2-COVID-19	84.425D	5891-21-0290	579,247
<b><i>Total Education Stabilization Funds</i></b>			<b><u>\$ 1,238,777</u></b>
Title IIA - Supporting Effective Instruction State Grant	84.367	0147-23-0290	\$ 24,677
Title IV - Student Support and Enrichment Program	84.424	0204-23-0090	18,505
Title I - Grants to Local Educational Agencies	84.010	0021-23-0290	223,097
<b>Total U.S. Department of Education</b>			<b><u>\$ 1,786,618</u></b>
<b><u>U.S. Department of Agriculture:</u></b>			
<b><u>Passed Through NYS Education Department -</u></b>			
<b><u>Child Nutrition Cluster -</u></b>			
National School Lunch Program	10.555	050401040000	\$ 272,348
National School Lunch Program-Non-Cash Assistance (Commodities)	10.555	050401040000	37,932
Supply Chain Assistance-COVID-19	10.555	050401040000	34,541
National Summer Food Service program	10.559	050401040000	5,862
National School Breakfast Program	10.553	050401040000	97,798
<b><i>Total Child Nutrition Cluster</i></b>			<b><u>\$ 448,481</u></b>
P-EBT Grant	10.649	050401040000	1,256
<b>Total U.S. Department of Agriculture</b>			<b><u>\$ 449,737</u></b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b><u>\$ 2,236,355</u></b>

(See Independent Auditors' Report)



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, 2023, 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 11, 2023.

***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 may exist that have not been identified.

### ***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, Barw & Co. LLP*

Rochester, New York  
October 11, 2023