

**AUBURN ENLARGED CITY SCHOOL
DISTRICT**

**Financial Statements as of and for the
Year Ended June 30, 2024
Together with
Independent Auditor's Report**

AUBURN ENLARGED CITY SCHOOL DISTRICT

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June 30, 2024

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AUBURN ENLARGED CITY SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

November 13, 2024

To the Board of Education of the
Auburn Enlarged City School District:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Auburn Enlarged City School District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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.

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INDEPENDENT AUDITOR'S REPORT

(Continued)

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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional 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.

INDEPENDENT AUDITOR'S REPORT

(Continued)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund; Schedule of Changes in Total Other Postemployment Benefit Liability and Related Ratios; Schedule of Proportionate Share of Net Pension Liability (Asset) and the Schedule of Contributions - Pension Plans be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Combining Balance Sheet – Nonmajor Governmental Funds, and Combining Statement of Revenue, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Balance Sheet – Nonmajor Governmental Funds, and Combining Statement of Revenue, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

INDEPENDENT AUDITOR'S REPORT

(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

AUBURN ENLARGED CITY SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited) June 30, 2024

The following is a discussion and analysis of the Auburn Enlarged City School District's (the District) financial performance. This section is a summary of the District's financial activities based on currently known facts, decisions, 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 District's financial statements, which immediately follow this section.

Financial Highlights

- At June 30, 2024 total liabilities (what the District owes) exceeded its total assets (what the District owns) by \$142,580,728 (net position) and at June 30, 2023 total liabilities exceeded total assets by \$162,984,400, an increase of \$20,403,672 from 2023 to 2024. This increase in net position is primarily due to increases in cash and investments as well as a decrease in long-term debt.
- Capital asset additions during fiscal 2024 amounted to approximately \$10.4 million, primarily due to \$9.1 million of capital project expenditures related to ongoing capital projects, approximately \$2.8 million in additions to buildings and site improvements, and approximately \$408 thousand of furniture and equipment purchases. In fiscal 2024 lease asset additions amounted to approximately \$1.7 million.
- General revenue, which includes State aid, and property taxes accounted for \$99,995,687 (or 87.7%) of all revenue. Program specific revenue in the form of Charges for Services and Operating Grants and Contributions accounted for \$14,017,691 (or 12.3%) of total revenue.
- Total expenses in the District-wide financial statements totaled \$93,609,706 and \$90,144,436 in 2024 and 2023, respectively.
- As of the close of the fiscal year, the District's governmental funds reported a combined fund balance of \$27,560,665, in 2024, a decrease of \$375,162 from 2023 to 2024.

Overview of the Financial Statements

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

- The first two statements are District-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are Governmental fund financial statements that focus on individual activities of the District, reporting the operation in more detail than the District-wide statements.
 - The Governmental fund statements tell how basic services, such as instruction and support functions, were financed in the short-term, as well as what remains for future spending.

Overview of the Financial Statements (Continued)

The financial statements also include notes that provide additional information about the financial statements and the balances reported. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison to the District's budget for the year. Table A-1 shows how the various parts of this annual report are arranged and related to one another.

Table A-1: Organization of the District's Annual Financial Report

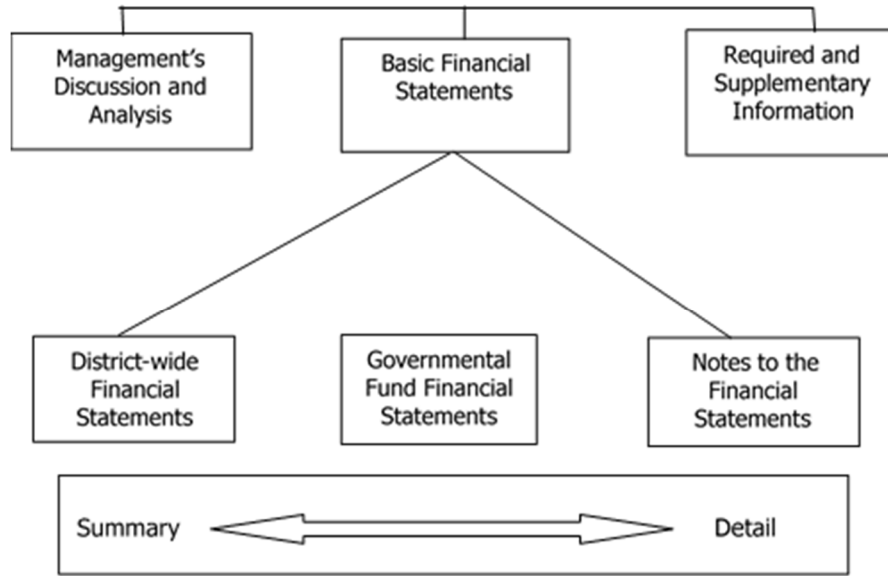


Table A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities that they cover and the types of information that they contain. The remainder of this overview section highlights the structure and contents of each statement.

Table A-2: Major Features of the District-Wide and Fund Financial Statements

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

District-Wide Statements

The District-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 of the District's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's net position and how it has changed. Net position, the difference between the District's assets and liabilities, is one way to measure the District's financial health or position.

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

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

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

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

Fund Financial Statements

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

The District has one type of fund:

- **Governmental Funds:** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out of the District and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or less financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information in the reconciliation of the governmental fund statements explain the relationship (or differences) between them. The governmental fund statements focus primarily on current financial resources and often have a budgetary orientation. Governmental funds include the General Fund, Special Aid Fund, School Lunch Fund, Debt Service Fund and the Capital Projects Fund. Required financial statements are the Balance Sheet and the Statement of Revenue, Expenditures, and Changes in Fund Balance.

Financial Analysis of the District as a Whole

Our analysis below focuses on the net position (Table A-3) and the change in net position (Table A-4) of the District-wide governmental activities.

Table A-3: Condensed Statements of Net Position - Governmental Activities

	Fiscal Year 2024	Fiscal Year 2023	Percent Change
Current and other assets	\$ 57,549,541	\$ 51,193,823	12.4%
Non-current assets	<u>89,957,861</u>	<u>82,584,465</u>	8.9%
Total assets	<u>147,507,402</u>	<u>133,778,288</u>	10.3%
Deferred outflows of resources	<u>25,194,468</u>	<u>33,080,955</u>	-23.8%
Current liabilities	30,348,610	23,331,895	30.1%
Long-term liabilities	<u>223,571,106</u>	<u>236,177,559</u>	-5.3%
Total liabilities	<u>253,919,716</u>	<u>259,509,454</u>	-2.2%
Deferred inflows of resources	<u>61,362,862</u>	<u>70,484,110</u>	-12.9%
Net position:			
Net investment in capital assets	61,457,719	51,984,354	18.2%
Restricted	16,453,260	11,354,772	44.9%
Unrestricted	<u>(220,491,707)</u>	<u>(226,323,526)</u>	2.6%
Total net position	<u>\$ (142,580,728)</u>	<u>\$ (162,984,400)</u>	12.5%

Financial Analysis of the District as a Whole (Continued)

In Table A-3, total assets at June 30, 2024 were approximately \$13.7 million higher than at June 30, 2023. Non-current assets increased approximately \$7.4 million, due primarily an increase in capital asset additions during fiscal year 2024 of \$10.4 million, offset by \$3.8 million in depreciation expense. Current assets increased approximately \$6.4 million, due to an increase in cash at June 30, 2024 arising from current year activities of the District.

Deferred outflows of resources at June 30, 2024 were approximately \$7.9 million lower than at June 30, 2023, due to a decrease in the other postemployment benefit (OPEB) and TRS pension related deferred outflows of resources.

Total liabilities decreased by approximately \$5.6 million, due primarily to a decrease in long-term liabilities of approximately \$12.6 million. The decrease in long-term liabilities is due to a decrease in the OPEB and bonds payable liabilities.

Deferred inflows of resources at June 30, 2024 were approximately \$9.1 million lower than at June 30, 2023, due to a decrease in the other postemployment benefit (OPEB) deferred inflows of resources.

Table A-4: Changes in Net Position from Operating Results - Governmental Activities

	Fiscal Year 2024	Fiscal Year 2023	Percent Change
<u>Revenues</u>			
Program Revenue:			
Charges for services	\$ 141,365	\$ 223,218	-36.7%
Operating grants and contributions	13,876,326	15,503,161	-13.6%
General revenue:			
Taxes	35,655,980	34,955,850	2.0%
State sources	60,449,860	50,603,331	19.5%
Use of money and property	1,314,417	455,361	188.7%
Miscellaneous	<u>2,870,136</u>	<u>3,459,692</u>	-17.0%
Total revenues	<u>114,308,084</u>	<u>105,200,613</u>	8.4%
<u>Expenses</u>			
General support	14,049,234	13,265,758	5.9%
Instruction	71,079,194	68,295,068	4.1%
Transportation	4,037,755	3,793,205	6.4%
Debt service - Interest	2,170,478	2,503,177	-13.3%
School lunch program	<u>2,273,025</u>	<u>2,287,228</u>	-0.6%
Total expenses	<u>93,609,686</u>	<u>90,144,436</u>	3.8%
Increase (decrease) in net position	<u>\$ 20,698,398</u>	<u>\$ 15,056,177</u>	37.5%

Changes in Net Position

The District's fiscal year 2024 revenues totaled \$114,013,378 (Table A-4). Property taxes (including other tax items) and state sources accounted for most of the District's revenue by contributing \$0.84 and \$0.81 of every dollar raised in 2024 and 2023, respectively (Table A-5). The remainder of revenue came from fees charged for services, operating grants, use of money and property, and other miscellaneous sources.

The total cost of all programs and services totaled \$93,609,706 for fiscal year 2024. These expenses are predominately related to general instruction, which account for 75.9% of the District's expenses (See Table A-6). The District's general support activities accounted for 15.0% of total costs.

Table A-5: Sources of Revenue for Fiscal Year 2024

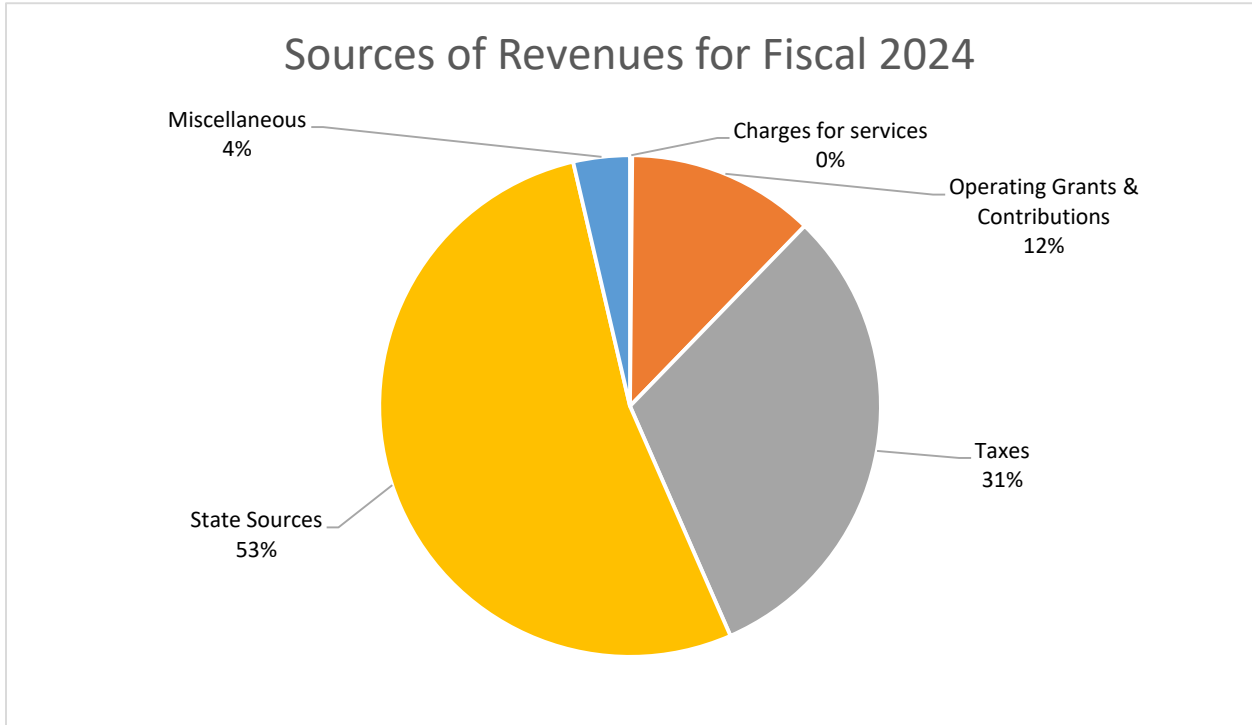
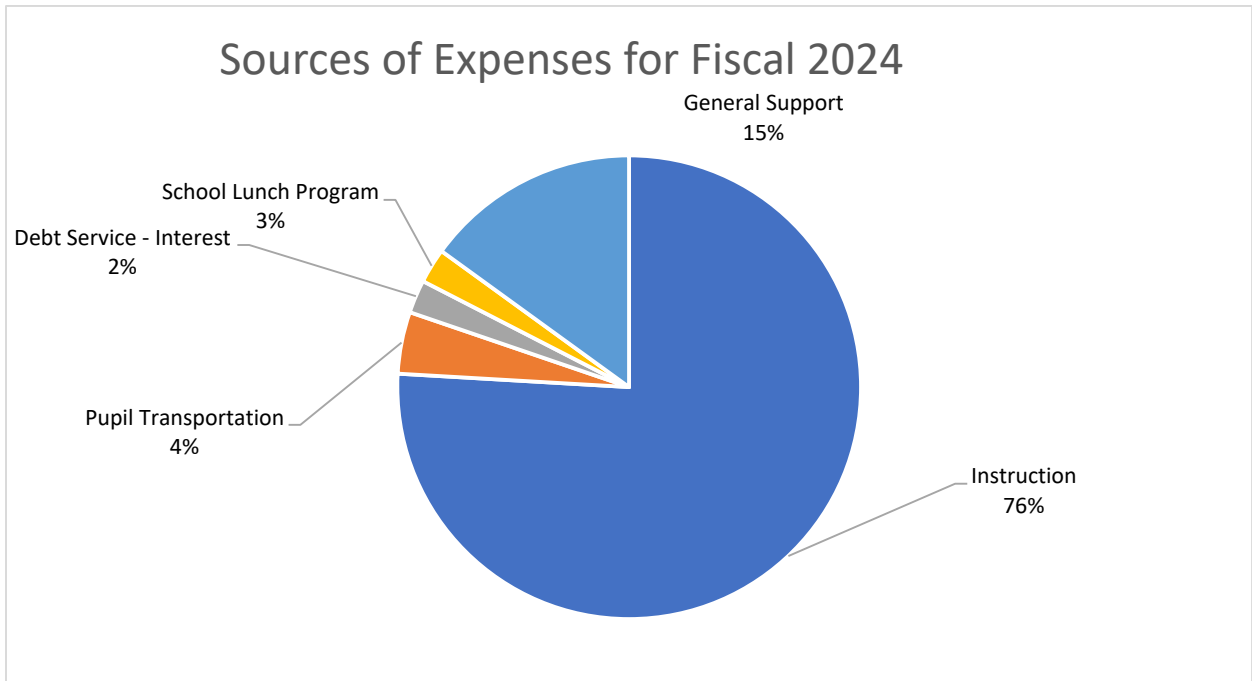


Table A-6: Expenses for Fiscal Year 2024



Financial Analysis of the District's Funds

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

At June 30, 2024, the District, in its governmental funds, reported combined fund balances of \$27.6 million, a decrease of \$375 thousand from the prior year.

General Fund Budgetary Highlights

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

Table A-7: Results vs. Budget

	Original Budget	Final Budget	Actual	Encumbrances	Variance (Actual / Final Budget)
Revenues:					
Local sources	\$ 37,827,900	\$ 37,910,721	\$ 39,257,004	\$ -	\$ 1,346,283
State sources	59,290,905	59,290,905	60,449,860	-	1,158,955
Federal sources	-	-	-	-	-
Medicaid reimbursement	350,000	350,000	492,876	-	142,876
Appropriations	2,500,004	2,500,000	-	-	(2,500,000)
Transfers in	300,000	300,000	25,000	-	(275,000)
Total	100,268,809	100,351,626	100,224,740	-	(126,886)
Expenditures:					
General support	13,055,331	13,363,973	12,778,206	-	585,767
Instruction	54,418,635	54,661,690	48,998,260	-	5,663,430
Pupil transportation	3,800,680	3,801,680	3,642,673	-	159,007
Employee benefits	22,341,000	22,341,000	20,122,205	-	2,218,795
Capital outlays	-	30,435	30,435	-	-
Debt service	6,528,163	6,528,163	7,869,319	-	(1,341,156)
Transfers out	125,000	125,000	100,000	-	25,000
Total	100,268,809	100,851,941	93,541,098	-	7,310,843
Revenues over (under) expenditures	\$ -	\$ (500,315)	\$ 6,683,642	\$ -	\$ 7,183,957

- The General Fund is the only fund for which a budget is legally adopted.
- Total revenues came in within 1% of budget.
- Total expenditures came in within 8% of budget.

Capital Assets

As of June 30, 2024, the District had a net investment of \$89.8 million in a broad range of capital assets including land, buildings, athletic facilities, computers and other educational equipment.

Table A-8: Capital Assets

	Fiscal Year 2024	Fiscal Year 2023	Percent Change
Land	\$ 866,980	\$ 866,980	0.0%
Construction in progress	32,197,957	24,931,616	29.1%
Site improvements	18,245,813	15,483,095	17.8%
Buildings	103,620,185	103,608,552	0.0%
Furniture and equipment	9,814,157	9,438,813	4.0%
Lease assets	<u>4,369,216</u>	<u>3,917,227</u>	11.5%
Total	169,114,308	158,246,283	6.9%
Less: Accumulated depreciation and amortization	<u>(79,266,448)</u>	<u>(75,661,818)</u>	-4.8%
Net capital assets	<u>\$ 89,847,860</u>	<u>\$ 82,584,465</u>	8.8%

Long-Term Debt

At year-end, the District had \$38.1 million in serial bonds outstanding and \$119 thousand in other long-term liabilities. More detailed information about the District's long-term liabilities is presented in the notes to the financial statements.

Table A-9: Outstanding Long-Term Liabilities

	2024	2023
Serial bonds payable	\$ 38,124,461	\$ 42,577,562
Other long-term liabilities	<u>118,596</u>	<u>136,969</u>
Total	<u>\$ 38,243,057</u>	<u>\$ 42,714,531</u>

Factors Bearing on the Future of the District

The District relies heavily on state aid to finance its operations; approximately 60% of the District's General Fund revenues are from state aid. Foundation aid will be fully funded for the 2024-2025 year. However, the formula is still not adequately funding lower income districts such as ours. The District is continuing its advocacy campaign to fix the foundation aid formula.

In addition, the state has enacted a tax levy limit for all municipalities and school districts which is tied to the rate of inflation. This limits the District's ability to increase the tax levy by more than 2% per year, thus serving to further increase the District's reliance on state aid increases. Recent high inflation rates have negatively impacted the District, exacerbating the issues associated with the tax levy limit.

Factors Bearing on the Future of the District (Continued)

Health insurance costs are one of the largest expenses in the District's annual budget. The District provides postemployment health insurance coverage to retirees in accordance with various employment contracts. The cost of this coverage is recognized by the District annually as payments are made (pay-as-you-go basis); however, the true actuarially calculated liability for this coverage is estimated at approximately \$178 million. The District established a Health Insurance reserve fund in the amount of \$1,500,000 in response.

Contacting the District's Financial Management

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the finances of the District and to demonstrate the District's accountability with the funds it receives. If you have any questions about this report or need additional financial information, please contact: Tessa Crawford, School Business Executive, Auburn Enlarged City School District, 78 Thornton Ave., Auburn, New York 13021.

AUBURN ENLARGED CITY SCHOOL DISTRICT

**Statement of Net Position
June 30, 2024**

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 21,307,921
Cash and cash equivalents - restricted	14,768,583
Investments	6,000,820
Taxes receivable	2,187,178
State and federal aid receivable	13,383,421
Other receivables	<u>196,324</u>
Total current assets	<u>57,844,247</u>

NON-CURRENT ASSETS:

Capital assets, nondepreciable	25,798,596
Capital assets, depreciable, net	<u>64,159,265</u>
Total non-current assets	<u>89,957,861</u>

Total assets	<u>147,802,108</u>
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DEFERRED OUTFLOWS OF RESOURCES

Pension related-TRS	14,716,236
Pension related-ERS	2,655,327
Other postemployment benefits	7,573,551
Deferred amount on refunding	<u>249,354</u>
Total deferred outflows of resources	<u>25,194,468</u>

LIABILITIES

CURRENT LIABILITIES:

Accounts payable	4,626,732
Accrued liabilities	1,201,957
Accrued interest	65,028
Due to teachers' retirement system	4,053,474
Due to employees' retirement system	227,800
Unearned revenue	208,619
Bond anticipation note	<u>19,965,000</u>
Total current liabilities	<u>30,348,610</u>

LIABILITIES (Continued)

LONG-TERM LIABILITIES:

Due and payable within one year -	
Current portion of compensated absences	20,402
Current portion of bonds payable, net of premium	3,187,926
Current portion of installment debt	580,270
Lease liabilities, current	961,426
Total other postemployment benefits liability, current	7,027,820
Due and payable after one year -	
Net pension liability - ERS	3,209,440
Net pension liability - TRS	2,136,527
Compensated absences	98,194
Bonds payable, net of premium	31,078,710
Installment debt	3,277,555
Lease liability, net of current portion	1,199,244
Total other postemployment benefits liability, net of current post	<u>170,793,592</u>
Total long-term liabilities	<u>223,571,106</u>
Total liabilities	<u>253,919,716</u>

DEFERRED INFLOWS OF RESOURCES

Pension related-TRS	1,884,609
Pension related-ERS	1,807,137
Other postemployment benefits	<u>57,671,116</u>
Total deferred inflows of resources	<u>61,362,862</u>

NET POSITION

Net investment in capital assets	61,457,719
Restricted	17,953,260
Unrestricted	<u>(221,696,981)</u>
Total net position	<u>\$ (142,286,002)</u>

The accompanying notes are an integral part of these statements.

AUBURN ENLARGED CITY SCHOOL DISTRICT

Statement of Activities For the Year Ended June 30, 2024

	Expenses	Program Revenue		Net (Expense Revenue and Changes in Net Position)
		Charges for Services	Operating Grants	
FUNCTIONS/PROGRAMS:				
General support	\$ 14,049,234	\$ 61,544	\$ -	\$ (13,987,690)
Instruction	71,079,194		11,378,918	(59,700,276)
Pupil transportation	4,037,775	-	-	(4,037,775)
Debt service - interest	2,170,478	-	-	(2,170,478)
School lunch program	2,273,025	79,821	2,497,408	304,204
TOTAL FUNCTIONS/PROGRAMS	\$ 93,609,706	\$ 141,365	\$ 13,876,326	(79,592,015)
GENERAL REVENUE:				
Real property taxes				31,676,232
Other tax items				3,979,748
Use of money and property				1,314,417
Sale of property and compensation for loss				27,514
Medicaid reimbursement				492,876
State sources				60,449,860
Miscellaneous				2,349,766
TOTAL GENERAL REVENUE				100,290,413
CHANGE IN NET POSITION				20,698,398
NET POSITION - beginning of year				(162,984,400)
NET POSITION - end of year				\$ (142,286,002)

The accompanying notes are an integral part of these statements.

AUBURN ENLARGED CITY SCHOOL DISTRICT

**Balance Sheet - Governmental Funds
June 30, 2024**

	General	Special Aid	Capital Projects	Nonmajor Governmental Funds	Total
ASSETS					
Cash and cash equivalents	\$ 17,472,946	\$ 2,871,618	\$ -	\$ 963,357	\$ 21,307,921
Cash and cash equivalents - restricted	1,333,366	-	12,778,030	657,187	14,768,583
Investments	6,000,820	-	-	-	6,000,820
Taxes receivable	2,187,178	-	-	-	2,187,178
State and federal aid receivable	6,074,841	7,132,660	-	175,920	13,383,421
Due from other funds	8,725,735	1,073,432	938,147	5,507	10,742,821
Other receivables	196,112	-	-	212	196,324
TOTAL ASSETS	\$ 41,990,998	\$ 11,077,710	\$ 13,716,177	\$ 1,802,183	\$ 68,587,068
LIABILITIES AND FUND BALANCE					
LIABILITIES:					
Accounts payable	\$ 2,603,551	\$ 635,462	\$ 1,242,395	\$ 145,324	\$ 4,626,732
Accrued liabilities	1,201,951	-	-	6	1,201,957
Due to other funds	-	10,333,126	-	409,695	10,742,821
Due to teachers' retirement system	4,053,474	-	-	-	4,053,474
Due to employees' retirement system	227,800	-	-	-	227,800
Unearned revenue	31,948	112,350	-	64,321	208,619
Bond anticipation notes payable	-	-	19,965,000	-	19,965,000
TOTAL LIABILITIES	8,118,724	11,080,938	21,207,395	619,346	41,026,403
Restricted -					
Retirement	5,008,156	-	-	-	5,008,156
Unemployment insurance	159,246	-	-	-	159,246
Debt service	-	-	-	61,754	61,754
Capital	4,811,790	-	-	-	4,811,790
Tax certiorari	2,092,255	-	-	-	2,092,255
Insurance	1,485,261	-	-	-	1,485,261
Insurance - Health	1,500,000	-	-	-	1,500,000
Liability	530,509	-	-	-	530,509
Employee benefits accrued liability	424,390	-	-	-	424,390
Worker's comp reserve	877,412	-	-	-	877,412
School lunch	-	-	-	822,749	822,749
Other	-	-	-	298,334	298,334
Total restricted fund balance	16,889,019	-	-	1,182,837	18,071,856
Assigned -					
Other appropriations	-	(3,228)	(7,491,218)	-	(7,494,446)
Appropriated for subsequent year's expenditures	2,500,000	-	-	-	2,500,000
Total assigned fund balance	2,500,000	(3,228)	(7,491,218)	-	(4,994,446)
Unassigned	14,483,255	-	-	-	14,483,255
TOTAL FUND BALANCE	33,872,274	(3,228)	(7,491,218)	1,182,837	27,560,665
TOTAL LIABILITIES AND FUND BALANCE	\$ 41,990,998	\$ 11,077,710	\$ 13,716,177	\$ 1,802,183	\$ 68,587,068

The accompanying notes are an integral part of these statements.

AUBURN ENLARGED CITY SCHOOL DISTRICT

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position June 30, 2024

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

Fund balance - total governmental funds	\$ 27,560,665
Capital assets used in governmental activities are not financial resources and; therefore, are not reported in the funds.	89,957,861
Deferred outflows/inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows - ERS/TRS	17,371,563
Deferred inflows - ERS/TRS	(3,691,746)
Deferred outflows - Refunding	249,354
Deferred outflows - OPEB	7,573,551
Deferred inflows - OPEB	(57,671,116)
Net pension obligations are not due and payable in the current period and; therefore, are not reported in the funds.	
Net pension liability - TRS	(2,136,527)
Net pension liability - ERS	(3,209,440)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore are not reported in the funds.	
Bonds payable, including bond premium	(34,266,636)
Lease liability	(2,160,670)
Installment purchase debt	(3,857,825)
Other postemployment benefits obligation	(177,821,412)
Compensated absences	(118,596)
Accrued interest	(65,028)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (142,286,002)</u>

The accompanying notes are an integral part of these statements.

AUBURN ENLARGED CITY SCHOOL DISTRICT

**Statement of Revenue, Expenditures, and Changes in Fund Balance - Governmental Funds
For the Year Ended June 30, 2024**

	General	Special Aid	Capital Projects	Nonmajor Governmental Funds	Total
REVENUE:					
Real property taxes	\$ 31,676,232	\$ -	\$ -	\$ -	\$ 31,676,232
Other tax items	3,979,748	-	-	-	3,979,748
Charges for services	61,544	99,454	-	-	160,998
Use of money and property	1,298,353	-	-	16,064	1,314,417
Sale of property and compensation for loss	27,514	-	-	-	27,514
Miscellaneous	2,213,613	-	-	174,620	2,388,233
State sources	60,449,860	1,977,659	-	197,146	62,624,665
Federal sources	-	9,301,805	-	2,300,262	11,602,067
Medicaid reimbursement	492,876	-	-	-	492,876
Sales - school lunch	-	-	-	79,821	79,821
Premium on obligations	-	-	49,118	-	49,118
Total revenue	100,199,740	11,378,918	49,118	2,767,913	114,395,689
EXPENDITURES:					
General support	12,778,206	1,823	-	151,020	12,931,049
Instruction	48,998,260	10,108,810	-	-	59,107,070
Pupil transportation	3,642,673	187,455	-	-	3,830,128
Employee benefits	20,122,205	1,084,058	-	46,716	21,252,979
Debt service - principal	5,397,359	-	-	-	5,397,359
Debt service - interest	2,471,960	-	-	-	2,471,960
Cost of sales	-	-	-	2,362,125	2,362,125
Other expenditures	-	-	-	11,404	11,404
Capital outlay	1,738,191	-	7,376,342	-	9,114,533
Total expenditures	95,148,854	11,382,146	7,376,342	2,571,265	116,478,607
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	5,050,886	(3,228)	(7,327,224)	196,648	(2,082,918)
OTHER SOURCES AND (USES):					
Proceeds from the issuance of leases	1,707,756	-	-	-	1,707,756
Operating transfers in	25,000	-	100,000	-	125,000
Operating transfers out	(100,000)	-	-	(25,000)	(125,000)
Total other sources (uses)	1,632,756	-	100,000	(25,000)	1,707,756
CHANGE IN FUND BALANCE	6,683,642	(3,228)	(7,227,224)	171,648	(375,162)
FUND BALANCE - beginning of year	27,188,632	-	(263,994)	1,011,189	27,935,827
FUND BALANCE - end of year	\$ 33,872,274	\$ (3,228)	\$ (7,491,218)	\$ 1,182,837	\$ 27,560,665

The accompanying notes are an integral part of these statements.

AUBURN ENLARGED CITY SCHOOL DISTRICT

**Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balance - Governmental
For the Year Ended June 30, 2024**

Net changes in fund balance - Total governmental funds	\$ (375,162)
Capital outlays are expenditures in governmental funds, but are capitalized in the statement of net position:	
Capital asset (including lease asset) additions	12,159,880
Depreciation and amortization expense	(4,786,484)
Repayments of installment purchase debt are recorded as expenditures in the governmental funds, but are recorded as reductions of liabilities in the statement of net position.	560,536
Repayments of long-term debt are recorded as expenditures in the governmental funds, but are recorded as reductions of liabilities in the statement of net position.	3,600,000
Net change in lease liabilities are recorded as expenditures in the governmental funds, but are recorded as reductions of liabilities in the statement of net position.	(470,933)
Amortization of premiums associated with long-term debt is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.	292,565
Amortization of the deferred amount on refunding is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.	(87,585)
ERS pension (expense)/income resulting from the change in the pension related (liabilities)/assets and deferred outflows and inflows of resources, that are long-term in nature and therefore not reported in the funds:	
Net pension liability/asset	1,211,171
Deferred outflows of resources	(291,272)
Deferred inflows of resources	(1,507,163)
TRS pension (expense)/income resulting from the change in the pension related (liabilities)/assets and deferred outflows and inflows of resources, that are long-term in nature and therefore not reported in the funds:	
Net pension liability/asset	1,358,995
Deferred outflows of resources	(4,263,316)
Deferred inflows of resources	496,212
Other postemployment benefits (expense)/income resulting from the change in the pension related (liabilities)/assets and deferred outflows and inflows of resources, pension related (liabilities)/assets that are long-term in nature and therefore not reported in the funds:	
Other postemployment benefits liability	5,885,779
Deferred outflows of resources	(3,244,314)
Deferred inflows of resources	10,132,199
Compensated absences do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds	18,373
Certain expenses in the statement of activities do not require the use of current resources and are, therefore, not reported as expenditures in the governmental funds:	
Change in accrued interest	<u>8,917</u>
Change in net position - governmental activities	<u>\$ 20,698,398</u>

The accompanying notes are an integral part of these statements.

AUBURN ENLARGED CITY SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2024

1. NATURE OF OPERATIONS

Auburn Enlarged City School District (the District) provides free K-12 public education to students living within its geographic borders.

Reporting Entity

The District is governed by the Laws of New York State. The District is an independent entity governed by an elected Board of Education (BOE) consisting of 7 members. The President of the Board serves as 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 the Governmental Accounting Standards Board (GASB) and consists of the primary government, and when applicable, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financials statements present the activities of the District including the Extraclassroom Activity Funds (the ECA Funds).

The Extraclassroom Activity Funds represent funds of the students of the District. The Board of Education exercises general oversight of these funds; however, these funds are used as designated by student management. The District accounts for the activities of these various student organizations in the Miscellaneous Special Revenue Fund. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found at the District's business office.

Joint Venture

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

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

1. NATURE OF OPERATIONS (Continued)

Joint Venture (Continued)

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

During the year, the District was billed \$17,415,933 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$1,517,660.

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

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

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

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

Basis of Presentation

The District's financial statements consist of district-wide financial statements, including a statement of net position and a statement of activities, and fund level financial statements which provide more detailed information.

District-Wide 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. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenue, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The statement of activities presents a comparison between direct expenses and program revenue 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. Program revenue includes charges paid by the recipients of goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue.

Fund Financial Statements

The fund statements provide information about the District's funds. 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.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

The District reports the following 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.

Special Revenue 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 and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

Special Aid Fund - Used to account for proceeds from State and Federal grants that are restricted for specific educational programs.

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

The District reports the following nonmajor governmental funds:

- Debt Service Fund: This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities.
- School Lunch Fund: Used to account for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for school lunch operations. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.
- Extraclassroom Activities: This fund accounts for the activities of the student run clubs and organizations of the District.
- Scholarships: This fund accounts for amounts contributed to fund scholarships and the distribution of scholarships.

Measurement Focus and Basis of Accounting

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

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

Non-exchange transactions in which the 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.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

The governmental fund 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 sixty days after the end of the fiscal year as it matches the liquidation of related obligations.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences, pensions, and other postemployment benefits 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 leases are reported as other financing sources.

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.

Restricted Cash and Cash Equivalents

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

Property Taxes

Real property taxes are levied annually by the BOE no later than September 1, and become a lien on September 1. Taxes are collected during the period September 1 to December 1. Taxes not collected by December 1 are turned over to the City and County who assume all responsibility for collection. Uncollected real property taxes are subsequently enforced by the City and County in which the District is located. The City and County pay an amount representing uncollected real property taxes transmitted to the City and County for enforcement to the District no later than the following August 31.

Real property taxes receivable expected to be collected within 60 days of year-end are recognized as revenue. Otherwise, a deferred inflows of resources offset real property taxes receivable.

Due from Other Governments

Due from other governments recorded as an asset at June 30, 2024, relates to receivables due from BOCES and other school districts. Management does not believe an allowance for doubtful accounts is necessary.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

State and Federal Aid Receivable

State and federal aid receivable recorded as an asset at June 30, 2024 relates to receivables due from New York State and/or the federal government. Management does not believe an allowance for doubtful accounts is necessary.

Other Receivables

Other receivables are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since management believes that such allowance would not be material.

Inventory and Prepaid Items

Inventory of food in the School Lunch Fund is recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value which approximates market. Purchases of inventory 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.

Interfund Transactions

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. 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.

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 7 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

Capital Assets

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

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

Depreciation and amortization 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 is used to report capital assets and the range of estimated useful lives by type of assets is as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	\$ 5,000	SL	40
Building improvements	\$ 5,000	SL	40
Site improvements	\$ 5,000	SL	15 – 20
Furniture and equipment	\$ 5,000	SL	5 – 20

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

Vested Employee Benefits

Compensated absences 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.

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

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

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

Retirement Benefits

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

Other Postemployment Benefits

In addition to providing retirement benefits, the District provides postemployment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provisions of various current employment contracts. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Healthcare benefits are provided through self-insured plans and claims are paid by the District. The District recognizes the cost of providing health insurance by recording its share of insurance claims when they are paid.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows and Inflows of Resources

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

Unearned Revenue

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.

Short-Term Debt

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

The District may issue Bond Anticipation Notes (BANs), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. Such notes may be classified as part of the General Long-Term Debt Account Group when (1) the intention is to refinance the debt on a long-term basis and (2) the intention can be substantiated through a post balance-sheet issuance of long-term debt or by an acceptable financing agreement. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

Accrued Liabilities and Long-Term Obligations

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

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

Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net position is 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.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

District-Wide Statements - Equity Classifications

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

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.

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.

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

Governmental Fund Financial Statements - Equity Classifications

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

Nonspendable fund balance - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted fund balance - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The Extraclassroom Activity special revenue fund has other restricted fund balance of \$101,836 related to extraclassroom activities. The Scholarship special revenue has other restricted fund balance of \$196,498 scholarship funds. The District has available the following restricted fund balances:

Capital Reserve

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

Reserve for Debt Service

According to General Municipal Law §6-l, 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.

Repair

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

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Financial Statements - Equity Classifications (Continued)

Employee Benefit Accrued Liability Reserve

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

Insurance Reserve

According to General Municipal Law §6-n, this reserve must be used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary 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.

Liability Reserve

According to General Municipal Law § 1709(8)(c), this reserve must be used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and this reserve may not in total exceed 3% of the annual budget or \$15,000, whichever is greater.

Tax Certiorari

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

Retirement Contribution

Retirement contribution reserve (GML §6-r) is used for the purpose of financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of operation and condition of the fund must be provided to the Board. This reserve is accounted for in the General Fund.

Workers' Compensation

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

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Financial Statements - Equity Classifications (Continued)

Unemployment Insurance Reserve

This reserve (GML §6-m) is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the District 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 the tax (contribution) basis, excess resources in the fund may be transferred to any other reserve fund. The reserve is accounted for in the General Fund under restricted fund balance.

Reserve for Tax Reduction

This reserve (EL §1604, §1709) is used for the gradual use of the proceeds of the sale of District real property where such proceeds are not required to be placed in a mandatory reserve for debt service. Specifically, the District is permitted to retain the proceeds of the sale for a period not to exceed ten years, and to use them during that period for tax reduction. This reserve is accounted for in the General Fund.

Reserve for Insurance Recoveries

Reserve for Insurance Recoveries (Education Law §1718(2)) is used at the end of the fiscal year to account for unexpended proceeds of insurance recoveries. They will be held there pending action by the Board on their disposition. This reserve will not be used if the insurance recovery is expended in the same fiscal year in which it was received. The reserve is accounted for in the General Fund.

Health Insurance Reserve

This reserve (General Municipal Law §6-n) is used to pay for any loss, claim, action, or judgment for accident and health insurance authorized by Insurance Law Section 113 (a)(3). The reserve is accounted for in the General Fund.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Financial Statements - Equity Classifications (Continued)

Restricted fund balance includes the following:

General Fund:	
Employee benefits accrued liability	\$ 424,390
Unemployment insurance	159,246
Liability reserve	530,509
Capital reserve	4,811,790
Tax certiorari reserve	2,092,255
Retirement reserve	5,008,156
Worker's comp reserve	877,412
Insurance reserve	1,485,261
Health insurance reserve	<u>1,500,000</u>
Total restricted fund balance	<u>\$ 16,889,019</u>
Debt Service Fund	<u>\$ 61,754</u>
School Lunch Fund	<u>\$ 822,479</u>
Scholarships Fund	<u>\$ 196,498</u>
Extraclassroom Activities Fund	<u>\$ 101,836</u>

Committed fund balance - Includes amounts that can be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority, the BOE. The District has no committed fund balances as of June 30, 2024.

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 in the General Fund. 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.

Encumbrances

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

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 District.

New York State Real Property Tax Law §1318 limits the amount of unexpended surplus funds the 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's budget and encumbrances are also excluded from the 4% limitation.

2. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Order of Fund Balance Spending Policy

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

Use of Estimates

The preparation of basic 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 amounts reported in the basic financial statements and the accompanying notes.

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

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

Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities

Total fund balances of the District's governmental funds differ from net position of governmental activities reported in the Statement of Net Position. This difference results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund balance sheets.

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

Differences between the governmental funds Statement of Revenue, Expenditures, and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories.

- **Long-Term Revenue and Expense Differences**
Long-term revenue differences arise because governmental funds report revenue only when it is considered "available," whereas the Statement of Activities reports revenue when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.
- **Capital Related Differences**
Capital related differences include the difference between proceeds from the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.

3. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS (Continued)

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

- **Long-Term Debt Transaction Differences**
Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.
- **Pension Differences**
Pension differences occur as a result of changes in the District's proportion of the collective net pension asset/liability and differences between the District's contributions and its proportionate share of the total contributions to the pension systems.
- **OPEB Differences**
OPEB differences occur as a result of changes in the District's total OPEB liability and differences between the District's contributions and OPEB expense.

4. 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.

Budgets

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

The voters of the District approved the proposed appropriation budget.

Appropriations are adopted at the program line-item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved the BOE 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 that exists which was not determined at the time the budget was adopted. There were budget revisions of \$82,821 for the 2023-2024 final budget.

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

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

4. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgets (Continued)

Budgets are established and used for individual capital project funds 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.

Encumbrances

Encumbrance accounting is used for budgetary 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 assignments 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.

The portion of the District's fund balance subject to the New York State Real Property Tax Law §1318 limit exceeded the amount allowable, which is 4% of the District's budget for the upcoming school year. Actions the District plans to pursue to address this issue include reducing future tax levies and committing funds for capital asset projects and purchases.

Fund Balance

The District's unrestricted fund balance in its General Fund was in excess of the New York State Real Property Tax Law §1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year.

Portions of the fund balances are restricted and are not available for current expenditures or expenses, as reported in the governmental funds Balance Sheet.

5. CASH AND INVESTMENTS

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

At June 30, 2024, the reported amount of the District's deposits was \$36,076,054 and the bank balance was \$38,350,529. Of the bank balance \$3,727,323 was covered by federal depository insurance or by collateral held by the District's agent in the District's name, and the remaining was covered by collateral held in the pledging bank's trust department in the District's name.

Restricted cash represents cash and cash equivalents 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 \$14,768,583 within the governmental funds.

At June 30, 2024, the District held \$6,000,820 in short-term US Treasury obligations in the General Fund that are valued at cost.

6. CAPITAL ASSETS

Capital asset balances and activity were as follows:

	Balance 7/1/2023	Additions	Deletions	Balance 6/30/2024
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 866,980	\$ -	\$ -	\$ 866,980
Construction in progress	<u>24,931,616</u>	<u>7,266,341</u>	<u>-</u>	<u>32,197,957</u>
Total nondepreciable cost	<u>25,798,596</u>	<u>7,266,341</u>	<u>-</u>	<u>33,064,937</u>
Capital assets that are depreciated:				
Buildings	103,608,552	11,633	-	103,620,185
Buildings/site improvements	15,483,095	2,762,718	-	18,245,813
Furniture and equipment	<u>9,438,813</u>	<u>408,239</u>	<u>(32,895)</u>	<u>9,814,157</u>
Total depreciable historical cost	<u>128,530,460</u>	<u>3,129,590</u>	<u>(32,895)</u>	<u>131,680,155</u>
Less accumulated depreciation:				
Buildings	(58,026,230)	(2,688,818)	-	(60,715,048)
Buildings/site improvements	(6,722,549)	(576,036)	-	(7,298,585)
Furniture and equipment	<u>(8,711,771)</u>	<u>(547,693)</u>	<u>32,895</u>	<u>(9,226,569)</u>
Total accumulated depreciation	<u>(73,460,550)</u>	<u>(3,812,547)</u>	<u>32,895</u>	<u>(77,240,202)</u>
Total depreciable cost - net	<u>55,069,910</u>	<u>(629,957)</u>	<u>-</u>	<u>54,439,953</u>
Leased assets, being amortized:				
Vehicles	407,354	390,686	-	798,040
Equipment	<u>3,509,873</u>	<u>1,347,505</u>	<u>(1,286,202)</u>	<u>3,571,176</u>
Total lease assets, being amortized	<u>3,917,227</u>	<u>1,738,191</u>	<u>(1,286,202)</u>	<u>4,369,216</u>
Less accumulated amortization:				
Vehicles	(180,787)	(165,471)	-	(346,258)
Equipment	<u>(2,020,481)</u>	<u>(945,729)</u>	<u>1,286,202</u>	<u>(1,680,008)</u>
Total accumulated amortization	<u>(2,201,268)</u>	<u>(1,111,200)</u>	<u>1,286,202</u>	<u>(2,026,266)</u>
Total lease assets, being amortized, net	<u>1,715,959</u>	<u>627,011</u>	<u>-</u>	<u>2,342,970</u>
Governmental Activities, Capital Assets, net	<u>\$ 82,584,465</u>	<u>\$ 7,263,395</u>	<u>\$ -</u>	<u>\$ 89,847,860</u>

6. CAPITAL ASSETS (Continued)

Depreciation and amortization expense was allocated to specific functions as follows:

	Depreciation	Amortization
General support	\$ 3,264,854	\$ 165,471
Instruction	495,511	945,729
Pupil transportation	25,767	-
School lunch	<u>26,415</u>	<u>-</u>
Total	<u>\$ 3,812,547</u>	<u>\$ 1,111,200</u>

7. INTERFUND BALANCES AND ACTIVITY

	Interfund		Transfers	
	Receivable	Payable	In	Out
General	\$ 8,752,735	\$ -	\$ 25,000	\$ 100,000
Special Aid	1,073,432	10,333,126	-	-
Capital Projects	938,147	-	100,000	-
Nonmajor funds	<u>5,507</u>	<u>409,695</u>	<u>-</u>	<u>25,000</u>
Total	<u>\$ 10,742,821</u>	<u>\$ 10,742,821</u>	<u>\$ 125,000</u>	<u>\$ 125,000</u>

Interfund receivables and payables 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 expected to be repaid within one year.

8. SHORT-TERM OBLIGATIONS

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

Maturity	Stated Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
6/27/2024	4.75%	\$ 13,900,000	\$ -	\$ (13,900,000)	\$ -
6/26/2025	4.00%	<u>-</u>	<u>19,965,000</u>	<u>-</u>	<u>19,965,000</u>
		<u>\$ 13,900,000</u>	<u>\$ 19,965,000</u>	<u>\$ (13,900,000)</u>	<u>\$ 19,965,000</u>

9. LONG-TERM OBLIGATIONS

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

	Balance 6/30/2023	Additions	Deletions	Balance 6/30/2024	Due Within One Year
Governmental Activities: General obligation bonds	\$ 35,705,000	\$ -	\$ (3,600,000)	\$ 32,105,000	\$ 2,975,000
Installment purchase debt - direct borrowing	4,418,361	-	(560,536)	3,857,825	580,270
Premium on bonds	<u>2,454,201</u>	<u>-</u>	<u>(292,565)</u>	<u>2,161,636</u>	<u>212,926</u>
Serial bonds payable	<u>\$ 42,577,562</u>	<u>\$ -</u>	<u>\$ (4,453,101)</u>	<u>\$ 38,124,461</u>	<u>\$ 3,768,196</u>
	Balance 6/30/2023	Additions	Deletions {a}	Balance 6/30/2024	Due Within One Year
Other liabilities: Compensated absences {a}	<u>\$ 136,969</u>	<u>\$ -</u>	<u>\$ (18,373)</u>	<u>\$ 118,596</u>	<u>\$ 20,402</u>

{a} Additions and deletions to compensated absences are shown net because it is impractical to determine these amounts separately.

Interest on all debt for the year was composed of:

Interest paid	\$ 2,471,960
Less: Interest accrued in the prior year	(73,945)
Plus: Interest accrued in the current year	<u>65,028</u>
Total interest expense	<u>\$ 2,463,043</u>

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

Bond Issue	Issued	Maturity	Interest Rate	6/30/2024 Balance
2006 BOCES Refunded	2006	2032	1.88%	\$ 4,405,000
2014 Serial Bond	2014	2029	5.00%	3,605,000
2017 Serial Bond	2017	2033	2.00%	2,660,000
2018 Serial Bond	2018	2033	3.00%	1,135,000
2021 Bond Refunding	2021	2029	1.00%	1,150,000
2022 Revenue Bond	2022	2038	5.00%	6,720,000
2022 Revenue Bond	2022	2039	5.00%	<u>12,430,000</u>
Total bond issue				<u>\$ 32,105,000</u>

9. LONG-TERM OBLIGATIONS (Continued)

Installment purchase debt - direct borrowing:

Bond Issue	Issued	Maturity	Interest Rate	6/30/2024 Balance
Energy performance contracts	2007-2016	2021-2032	3.31-3.97%	<u>\$ 3,857,825</u>

The following is a summary of the maturity of long-term indebtedness as of June 30, 2024:

	Principal	(Direct Borrowing) Installment Purchase Debt Principal	Interest	(Direct Borrowing) Installment Purchase Debt Interest	Total Debt Service
2025	\$ 2,975,000	\$ 580,270	\$ 1,452,838	\$ 102,792	\$ 5,110,900
2026	3,080,000	434,024	1,320,388	84,390	4,918,802
2027	3,170,000	446,702	1,185,988	71,712	4,874,402
2028	3,290,000	459,772	1,047,236	58,642	4,855,650
2029	3,085,000	473,246	902,825	45,168	4,506,239
2030-2034	10,565,000	1,219,612	2,840,525	99,115	14,724,252
2035-2039	<u>5,940,000</u>	<u>244,232</u>	<u>709,500</u>	<u>5,884</u>	<u>6,899,616</u>
Totals	<u>\$ 32,105,000</u>	<u>\$ 3,857,858</u>	<u>\$ 9,459,300</u>	<u>\$ 467,703</u>	<u>\$ 45,889,861</u>

10. PENSION PLANS

New York State Employees' Retirement System

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System 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. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). 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. That report, including information with regard to benefits provided, and the Report on the Schedule of Employer Allocations and Schedules of Pension Amounts by Employer may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

10. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

The system is noncontributory except for employees who joined the System after July 27th, 1976, who contribute 3.0% percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier 6 vary based on a sliding salary scale. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

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

At June 30, 2024, the District reported a net pension liability of \$3,209,440 for its proportionate share of the ERS net pension liability. The net pension liability was measured as of March 31, 2024, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of April 1, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2024, the District's proportionate share was 0.0217973%, which was an increase of 0.0011827% from its proportionate share at June 30, 2023.

For the year ended June 30, 2024, the District recognized pension expense of \$1,393,608. At June 30, 2024, the District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 1,033,758	\$ 87,513
Changes of assumptions	1,213,417	-
Net difference between projected and actual earnings on pension plan investments	-	1,567,794
Changes in proportion and differences between the District's contributions and proportionate share of contributions	180,352	151,830
Contributions subsequent to the measurement date	<u>227,800</u>	<u>-</u>
 Total	 <u>\$ 2,655,327</u>	 <u>\$ 1,807,137</u>

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

Plan's Year Ended March 31:	
2025	\$ (585,713)
2026	599,428
2027	946,152
2028	<u>(339,477)</u>
	 <u>\$ 620,390</u>

10. PENSION PLANS (Continued)

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

The District recognized \$227,800 as deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2024 which will be recognized on a reduction of the net pension liability in the year ended June 30, 2025.

Actuarial Assumptions

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

The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Aggregate Cost Method
Inflation	2.90%
Salary scale	4.40% indexed by service
Projected COLAs	1.50% compounded annually
Decrements	Developed from the Plan's 2020 experience study of the period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2021
Investment Rate of Return	5.90% compounded annually, net of investment expenses

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Type</u>	<u>Target Allocations in %</u>	<u>Long-Term Expected Real Rate of Return in %</u>
Domestic equity	32.00	4.00
International equity	15.00	6.65
Private equity	10.00	7.25
Real estate	9.00	4.60
Opportunistic/ARS portfolio	3.00	5.25
Credit	4.00	5.40
Real assets	3.00	5.79
Fixed income	23.00	1.50
Cash	<u>1.00</u>	0.25
	<u>100.00%</u>	

10. PENSION PLANS (Continued)

Discount Rate

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

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

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

	1% Decrease (4.90%)	Current Discount (5.90%)	1% Increase (6.90%)
Proportionate Share of Net Pension liability (asset)	\$ 10,090,807	\$ 3,209,440	\$ (2,537,929)

Pension Plan Fiduciary Net Position (000's)

The components of the current-year net pension liability of the employers as of March 31, 2024, were as follows:

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

New York State Teachers' Retirement System

The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as, death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10-member Board of Trustees. System benefits are established under New York State Law. 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. Additional information regarding the System, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSSTR Comprehensive Annual Financial report and/or the Report on the Schedule of Employer Allocations and Schedules of Pension Amounts by Employer, which can be found on the System's website at www.nystrs.org.

10. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

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

Contributions

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

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

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

	TRS
2024	\$ 3,563,165
2023	\$ 3,550,268
2022	\$ 3,162,536

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

At June 30, 2024, the District reported net pension liability of \$2,136,527 for its proportionate share of the TRS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2024, the District's proportionate share was 0.186827%, which was an increase of 0.004663% from its proportionate share as of June 30, 2023.

10. PENSION PLANS (Continued)

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

For the year ended June 30, 2024, the District recognized pension expense of \$5,970,506. At June 30, 2024 the District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,180,509	\$ 12,803
Changes of assumptions	4,599,879	1,002,518
Net difference between projected and actual earnings on pension plan investments	1,092,150	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	280,533	869,288
Contributions subsequent to the measurement date	<u>3,563,165</u>	<u>-</u>
 Total	 <u>\$ 14,716,236</u>	 <u>\$ 1,884,609</u>

The District recognized \$3,563,165 as a deferred outflow of resources related to pensions resulting from the District's contributions subsequent to the measurement date June 30, 2024 which will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

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

Plan's Year Ended June 30:	
2024	\$ 854,218
2025	(1,200,117)
2026	8,415,704
2027	488,716
2028	417,336
Thereafter	<u>292,604</u>
 Total	 <u>\$ 9,268,461</u>

10. PENSION PLANS (Continued)

Actuarial Assumptions

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

Actuarial cost method	Entry age normal										
Inflation	2.40%										
Projected Salary Increases	Rates of increase differ based on service They have been calculated based upon recent NYSTRS member experience and were updated as of June 30, 2021										
	<table><thead><tr><th><u>Service</u></th><th><u>Rate</u></th></tr></thead><tbody><tr><td>5</td><td>5.18%</td></tr><tr><td>15</td><td>3.64%</td></tr><tr><td>25</td><td>2.50%</td></tr><tr><td>35</td><td>1.95%</td></tr></tbody></table>	<u>Service</u>	<u>Rate</u>	5	5.18%	15	3.64%	25	2.50%	35	1.95%
<u>Service</u>	<u>Rate</u>										
5	5.18%										
15	3.64%										
25	2.50%										
35	1.95%										
Projected COLAs	1.30% compounded annually										
Investment Rate of Return	6.95% compounded annually, net of pension plan investment expense, including inflation.										

Annuitant and active mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2021 for June 30, 2023, applied on a generational basis.

The actuarial assumptions were based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. Active member mortality rates are based on plan member experience.

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

10. PENSION PLANS (Continued)

Actuarial Assumptions (Continued)

The Long-Term Expected Real Rates of Return are presented by asset allocation classification, which differs from the financial statement presentation. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the measurement date of June 30, 2023 are summarized in the following table:

<u>Asset Type</u>	<u>Target Allocations in %</u>	<u>Long-Term Expected Real Rate of Return in %</u>
Domestic equity	33.00	6.80
International equity	15.00	7.60
Global equities	4.00	7.20
Real estate equity	11.00	6.30
Private equity	9.00	10.10
Domestic fixed income	16.00	2.20
Global bonds	2.00	1.60
Private debt	2.00	6.00
Real estate debt	6.00	3.20
High-yield bonds	1.00	4.40
Cash equivalents	<u>1.00</u>	0.30
	<u>100.00%</u>	

Discount Rate

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

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

The following presents the net pension liability (asset) of the school districts calculated using the discount rate of 6.95%, as well as what the school districts' net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower (5.95%) or 1% higher (7.95%) than the current rate:

	1% Decrease (5.95%)	Current Discount (6.95%)	1% Increase (7.95%)
Proportionate Share of Net Pension Liability (asset)	<u>\$ 32,540,387</u>	<u>\$ 2,136,527</u>	<u>\$ (23,434,434)</u>

10. PENSION PLANS (Continued)

Pension Plan Fiduciary Net Position (000's)

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

Total pension liability	\$ 138,365,122
Net position	<u>137,221,537</u>
Net pension liability (asset)	<u>\$ 1,143,585</u>
NYSTRS net position as a percentage of total pension liability	99.2%

Payables to the Pension Plans

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

For ERS, employer contributions are paid annually based on the System's fiscal year, which ends on March 31st. Accrued retirement contributions as of June 30, 2024 represent the projected employer contribution for the period of April 1, 2024 through June 30, 2024 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Employee contributions are remitted monthly.

	June 30, 2024
ERS Liability	\$ 227,800
TRS Liability	\$ 4,053,474

11. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The District's defined benefit OPEB plan, provides OPEB for all employees who meet the NYSTRS/NYSERS eligibility requirements. Teachers and Administrators age 55 with 5 years of service who are eligible to retire and collect benefits according to the NYSTRS are eligible for retiree health care benefits for life from the District. Support staff hired before January 1, 2010 age 55 with 5 years of service are eligible to retire and collect benefits for life from the District according to NYSERS. Members after January 1, 2010 must be 55 years old with 10 years of service to qualify for NYSERS health care benefits.

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 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.

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Employees Covered by Benefit Terms

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

Active not eligible to retire	565
Actives eligible to retire	98
Retired and surviving spouses	589
Retiree spouses covered	<u>250</u>
Total participants	<u><u>1,502</u></u>

Total OPEB Liability

The District's total OPEB liability of \$177,821,412 was measured as of June 30, 2024, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability as of June 30, 2024 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.42% per year
Payroll Growth	3.42% as of June 30, 2024
Discount Rate	3.98% as of June 30, 2024
Healthcare Cost Trend Rates	5.10% for 2024, decreasing to an ultimate rate of 3.86% for years after 2070
Share of Benefit-Related Costs	19% share of GDP above which cost growth is assumed to meet resistance
Cost Method	Entry Age Normal, Level Percent of Pay

The discount rate was based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were MP-2021 Dataset Mortality Table fully generational as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the June 30, 2024 valuation were based on large scale retirement plan population data. The plan's estimated termination and retirement experience is then analyzed and the base table is adjusted accordingly. There is no formal experience study done for the plan.

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability

Balance at June 30, 2023	<u>\$ 183,707,191</u>
Changes for the Year-	
Service cost	4,456,233
Interest	6,857,094
Changes of benefit terms	(178,275)
Changes in assumptions or other inputs	(4,742,687)
Differences between expected and actual experience	(5,519,325)
Benefit payments	<u>(6,758,819)</u>
Net changes	<u>(5,885,779)</u>
Balance at June 30, 2024	<u>\$ 177,821,412</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.78% in 2023 to 3.98% in 2024.

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.98%) or 1% higher (4.98%) than the current discount rate:

	1% Decrease (2.98%)	Current Discount (3.98%)	1% Increase (4.98%)
Total OPEB Liability	<u>\$ 204,440,788</u>	<u>\$ 177,821,412</u>	<u>\$ 156,282,506</u>

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% lower or 1% higher than the current healthcare cost trend rate:

	<u>Healthcare Cost Trend Rate</u>		
	1% Decrease (4.10% to 2.86%)	Current Discount (5.10% to 3.86%)	1% Increase (6.10% to 4.86%)
Total OPEB Liability	<u>\$ 152,689,327</u>	<u>\$ 177,821,412</u>	<u>\$ 209,474,533</u>

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

For the year ended June 30, 2024, the District recognized OPEB revenue of \$6,063,652. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,888,476	\$ 25,670,736
Changes of assumptions	-	32,000,380
Contributions after measurement date	<u>1,685,075</u>	<u>-</u>
Total	<u>\$ 7,573,551</u>	<u>\$ 57,671,116</u>

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

<u>Fiscal Year Ending June</u>	<u>Amount</u>
2025	\$ (13,681,622)
2026	(10,971,514)
2027	(10,971,514)
2028	(11,123,585)
2029	(4,545,733)
Thereafter	<u>(488,672)</u>
	<u>\$ (51,782,640)</u>

The District recognized \$1,685,075 as a deferred outflow of resources resulting from the benefit payments made subsequent to the measurement date of June 30, 2024 which will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2025.

12. LEASES

The District as a Lessee

The School District leases various copiers and equipment, primarily from Onondaga-Cortland-Madison and CiTi Board of Cooperative Educational Service (BOCES). The School District also leases vehicles from Enterprise Fleet Management. Except for the vehicles, the leases do not contain renewal options. The leases have various inception dates and remaining terms of 24-62 months. The lease agreements have interest rates/discount rates between 1.90% and 8.01%. The total lease liability as of June 30, 2024 is \$2,160,670.

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

Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<u>\$ 1,689,737</u>	<u>\$ 1,707,756</u>	<u>\$ 1,236,823</u>	<u>\$ 2,160,670</u>	<u>\$ 961,426</u>

12. LEASES (Continued)

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

	Principal	Interest	Total
2025	\$ 961,426	\$ 76,608	\$ 1,038,034
2026	486,805	48,692	535,497
2027	384,899	29,786	414,685
2028	<u>327,540</u>	<u>13,839</u>	<u>341,379</u>
	<u>\$ 2,160,670</u>	<u>\$ 168,925</u>	<u>\$ 2,329,595</u>

13. RISK MANAGEMENT

General

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

Worker’s Compensation

The District is a member of the Onondaga-Cortland-Madison Counties BOCES Consortium Workers’ Compensation Self-Insurance Plan (the Plan). Current membership of the Plan includes various municipal entities. This is a public entity risk pool created under Article 5 of the Workers’ Compensation Law, to finance liability and risks related to Workers’ Compensation claims. The Plan participants are charged an annual assessment which is allocated in light of comparative experience and relative exposure based on the estimated total liability of the participating members actuarially computed each year.

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

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claim costs depend on complex factors, the process used in computing claim liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claim liabilities are charged or credited to expense in the periods in which they are made. During the year ended June 30, 2024, the District incurred premiums or contribution expenditures totaling \$272,392.

Health Insurance Plan

The District has a District-wide self-insured Health Insurance Plan administered through a third-party insurance carrier. Claims incurred but not reported (IBNR) was approximately \$1,033,905 at June 30, 2024 and was recorded in the General Fund in accrued liabilities.

Unemployment

The District has elected to discharge its liability to the New York State Unemployment Insurance Fund (the Fund) by the benefit reimbursement method, a dollar-for-dollar reimbursement to the fund for the benefits paid from the fund to former employees. The expenditures of this program for the 2023-2024 fiscal year totaled \$30,838. In addition, as of June 30, 2024, no loss contingencies existed or were considered probable or estimable for incurred but not reported claims payable.

14. CONTINGENCIES AND COMMITMENTS

Litigation

The District has been named as defendant in several tax certiorari cases. A review by the District and the District's attorneys indicate these actions are not substantial enough to materially affect the financial position of the District.

The District has also been named as a defendant in certain other actions. The District intends to defend itself vigorously in each of these cases. Accordingly, no loss contingency has been accrued.

Other Contingencies

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 audits, the District's administration believes disallowances, if any, will be immaterial.

15. TAX ABATEMENT

The following information summarizes the PILOT agreements entered into by the City of Auburn IDA and the Cayuga County IDA relating to the District:

Year Began	Agreement/Property	Total Assessed Value	Abatement Rate	Pilot Taxable Value	School Tax Rate / 1000	Regular Taxable Amount	Pilot Payment Received	Taxes Abated
2012	Auburn Community	\$ 7,666,700	Set Payment	\$ 819,000	16.278227	\$ 124,800	\$ 13,332	\$ 111,468
2014	Calamar (RM11)	9,141,600	90%	8,227,440	16.278227	148,809	133,928	14,881
2016	Carovail	1,176,900	70%	823,830	16.278227	19,158	13,411	5,747
2000	Central Building	4,051,400	Set Payment	58,000	16.278227	65,949	26,979	38,970
2013	Currier/ Gen West	3,186,300	70%	2,230,410	16.278227	51,867	36,307	15,560
1995	FLRR	785,500	Sale Based Fee	54,217	16.920673	13,291	7,304	5,987
2013	JBj	5,755,700	Set Payment	131,155	16.278227	93,693	61,008	32,685
2010	Logan Lofts	2,314,100	54%	749,024	16.278227	37,670	12,193	25,477
2015	Mack Studios	2,027,900	Varies	824,679	16.278227	33,010	13,424	19,586
2003	Tessy	13,699,500	80%	8,800,000	16.278227	223,003	143,248	79,755
2012	NUCOR	14,601,100	40%	5,840,440	16.278227	237,680	95,072	142,608
2012	Seminary Commons	1,052,800	40%	421,120	16.278227	17,138	6,855	10,283
2014	WST33	2,895,500	40%	1,158,200	16.278227	47,134	19,026	28,108
2020	Prison City	2,179,200	30%	884,760	16.278227	35,473	14,402	21,071
						<u>\$ 1,148,675</u>	<u>\$ 596,489</u>	<u>\$ 552,186</u>

**REQUIRED SUPPLEMENTARY
INFORMATION (UNAUDITED)**

AUBURN ENLARGED CITY SCHOOL DISTRICT

Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund (Unaudited)

For the Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Final Budget Variance with Actual (Budgetary)</u>
REVENUE					
Local sources:					
Real property taxes	\$ 34,949,503	\$ 31,666,297	\$ 31,676,232	\$ -	\$ 9,935
Other tax items	752,097	4,035,303	3,979,748	-	(55,555)
Charges for services	122,800	122,800	61,544	-	(61,256)
Use of money and property	102,000	102,000	1,298,353	-	1,196,353
Sale of property and compensation for loss	20,500	40,225	27,514	-	(12,711)
Miscellaneous	<u>1,881,000</u>	<u>1,944,096</u>	<u>2,213,613</u>	-	<u>269,517</u>
Total local sources	37,827,900	37,910,721	39,257,004	-	1,346,283
State sources	59,290,905	59,290,905	60,449,860	-	1,158,955
Medicaid reimbursement	<u>350,000</u>	<u>350,000</u>	<u>492,876</u>	-	<u>142,876</u>
Total revenue	<u>97,468,805</u>	<u>97,551,626</u>	<u>100,199,740</u>	-	<u>2,648,114</u>
EXPENDITURES					
General support					
Board of education	52,450	52,450	33,055	-	19,395
Central administration	283,092	283,092	283,026	-	66
Finance	668,123	665,823	537,120	-	128,703
Staff	1,526,404	1,590,744	1,475,846	-	114,898
Central services	9,036,611	9,299,724	8,863,623	-	436,101
Special items	<u>1,488,651</u>	<u>1,472,140</u>	<u>1,585,536</u>	-	<u>(113,396)</u>
Total general support	<u>13,055,331</u>	<u>13,363,973</u>	<u>12,778,206</u>	-	<u>585,767</u>
Instruction					
Instruction, administration & improvement	3,529,039	3,492,864	3,234,919	-	257,945
Teaching - regular school	24,652,883	24,808,505	23,030,829	-	1,777,676
Programs for students with disabilities	16,813,199	16,808,017	14,689,806	-	2,118,211
Occupational education	2,523,288	2,537,084	2,464,293	-	72,791
Teaching - special schools	321,806	321,806	207,737	-	114,069
Instructional media	3,594,380	3,667,916	2,368,079	-	1,299,837
Pupil services	<u>2,984,040</u>	<u>3,025,498</u>	<u>3,002,597</u>	-	<u>22,901</u>
Total instruction	<u>54,418,635</u>	<u>54,661,690</u>	<u>48,998,260</u>	-	<u>5,663,430</u>
Pupil transportation	3,800,680	3,801,680	3,642,673	-	159,007
Employee benefits	22,341,000	22,341,000	20,122,205	-	2,218,795
Capital outlay, net	-	30,435	30,435	-	-
Debt service - Principal	4,260,537	4,260,537	5,397,359	-	(1,136,822)
Debt service - Interest	<u>2,267,626</u>	<u>2,267,626</u>	<u>2,471,960</u>	-	<u>(204,334)</u>
Total expenditures	<u>100,143,809</u>	<u>100,726,941</u>	<u>93,441,098</u>	-	<u>7,285,843</u>
Excess (deficiency) of revenue over expenditures	<u>(2,675,004)</u>	<u>(3,175,315)</u>	<u>6,758,642</u>	-	<u>9,933,957</u>
OTHER FINANCING SOURCES (USES):					
Transfer from other funds	300,000	300,000	25,000	-	(275,000)
Transfers to other funds	(125,000)	(125,000)	(100,000)	-	25,000
Appropriations	<u>2,500,004</u>	<u>2,500,000</u>	-	-	<u>(2,500,000)</u>
Total other financing sources (uses)	<u>2,675,004</u>	<u>2,675,000</u>	<u>(75,000)</u>	-	<u>(2,750,000)</u>
NET CHANGE IN FUND BALANCE	\$ -	\$ (500,315)	6,683,642	\$ -	\$ 7,183,957
FUND BALANCE - beginning of year			<u>27,188,632</u>		
FUND BALANCE - end of year			<u>\$ 33,872,274</u>		

AUBURN ENLARGED CITY SCHOOL DISTRICT

**Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)
For the Year Ended June 30, 2024**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total OPEB Liability										
Service cost	\$ 4,456	\$ 5,905	\$ 6,913	\$ 6,348	\$ 6,876	\$ 6,289	\$ 6,057	\$ 5,723		
Interest	6,857	6,747	5,741	6,301	8,924	6,779	6,433	5,232		
Changes of benefit terms	(178)	(190)	(247)	(1,421)	(1,708)	(813)	72	-		
Differences between expected and actual experience	(4,743)	(30,808)	3,621	(10,332)	(59,841)	21,050	3,413	17,307		
Changes in assumptions	(5,519)	(30,446)	(22,592)	4,683	48,274	44,757	5,148	(12,897)		
Benefit payments	(6,759)	(6,936)	(7,330)	(7,305)	(7,009)	(2,881)	(2,595)	(2,403)		
Total change in total OPEB liability	(5,886)	(55,728)	(13,894)	(1,726)	(4,484)	75,181	18,528	12,962		
Total OPEB liability - beginning	183,707	239,435	253,329	255,055	259,539	184,358	165,830	152,868		
Total OPEB liability - ending	\$ 177,821	\$ 183,707	\$ 239,435	\$ 253,329	\$ 255,055	\$ 259,539	\$ 184,358	\$ 165,830		
Covered-employee payroll	\$ 41,383	\$ 39,972	\$ 34,070	\$ 32,937	\$ 32,781	\$ 31,759	\$ 30,741	\$ 30,741		
Total OPEB liability as a percentage of covered-employee payroll	429.7%	459.6%	702.8%	769.1%	778.1%	817.2%	599.7%	539.4%		

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

Notes to schedule:

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

Discount rate	<u>3.98%</u>	<u>3.78%</u>	<u>2.83%</u>	<u>2.27%</u>	<u>2.48%</u>	<u>3.44%</u>	<u>3.61%</u>	<u>3.80%</u>
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Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

The Single Discount Rate changed 3.98% to 3.78% effective June 30, 2024
The Salary scale changed from 3.53% to 3.42% effective June 30, 2024.

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

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

AUBURN ENLARGED CITY SCHOOL DISTRICT

**Schedule of Proportionate Share of Net Pension Liability (Asset) (Unaudited)
For the Year Ended June 30, 2024**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.022%	0.021%	0.020%	0.020%	0.020%	0.019%	0.019%	0.018%	0.019%	0.018%
Proportionate share of the net pension liability (asset)	<u>\$ 3,209</u>	<u>\$ 4,421</u>	<u>\$ (1,519)</u>	<u>\$ 20</u>	<u>\$ 5,198</u>	<u>\$ 1,404</u>	<u>\$ 602</u>	<u>\$ 1,645</u>	<u>\$ 2,975</u>	<u>\$ 612</u>
Covered-employee payroll	<u>\$ 6,650</u>	<u>\$ 6,572</u>	<u>\$ 6,021</u>	<u>\$ 6,283</u>	<u>\$ 6,165</u>	<u>\$ 6,033</u>	<u>\$ 5,564</u>	<u>\$ 5,468</u>	<u>\$ 5,262</u>	<u>\$ 4,915</u>
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>48.25%</u>	<u>67.27%</u>	<u>-25.23%</u>	<u>0.32%</u>	<u>84.31%</u>	<u>23.27%</u>	<u>10.82%</u>	<u>30.08%</u>	<u>56.54%</u>	<u>12.45%</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	<u>93.88%</u>	<u>90.78%</u>	<u>103.65%</u>	<u>99.95%</u>	<u>86.39%</u>	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	<u>0.187%</u>	<u>0.182%</u>	<u>0.172%</u>	<u>0.165%</u>	<u>0.162%</u>	<u>0.181%</u>	<u>0.181%</u>	<u>0.173%</u>	<u>0.175%</u>	<u>0.172%</u>
Proportionate share of the net pension liability (asset)	<u>\$ 2,137</u>	<u>\$ 3,496</u>	<u>\$ (29,862)</u>	<u>\$ 4,566</u>	<u>\$ (4,218)</u>	<u>\$ (3,075)</u>	<u>\$ (1,373)</u>	<u>\$ 1,848</u>	<u>\$ (18,195)</u>	<u>\$ (19,108)</u>
Covered-employee payroll	<u>\$ 37,169</u>	<u>\$ 33,164</u>	<u>\$ 32,271</u>	<u>\$ 29,249</u>	<u>\$ 28,048</u>	<u>\$ 29,368</u>	<u>\$ 27,703</u>	<u>\$ 28,632</u>	<u>\$ 26,624</u>	<u>\$ 37,432</u>
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>5.75%</u>	<u>10.54%</u>	<u>-92.54%</u>	<u>15.61%</u>	<u>-15.04%</u>	<u>-10.47%</u>	<u>-4.96%</u>	<u>6.45%</u>	<u>-68.34%</u>	<u>-51.05%</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	<u>99.20%</u>	<u>98.60%</u>	<u>113.20%</u>	<u>97.80%</u>	<u>102.20%</u>	<u>101.53%</u>	<u>100.66%</u>	<u>99.01%</u>	<u>110.46%</u>	<u>111.48%</u>

AUBURN ENLARGED CITY SCHOOL DISTRICT

Schedule of Contributions - Pension Plans (Unaudited)

For the Year Ended June 30, 2024

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 772	\$ 641	\$ 857	\$ 841	\$ 833	\$ 813	\$ 776	\$ 791	\$ 779	\$ 924
Contributions in relation to the contractually required contribution	<u>772</u>	<u>641</u>	<u>857</u>	<u>841</u>	<u>833</u>	<u>813</u>	<u>776</u>	<u>791</u>	<u>779</u>	<u>924</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	<u>\$ 6,650</u>	<u>\$ 6,572</u>	<u>\$ 6,021</u>	<u>\$ 6,283</u>	<u>\$ 6,165</u>	<u>\$ 6,033</u>	<u>\$ 5,564</u>	<u>\$ 5,468</u>	<u>\$ 5,262</u>	<u>\$ 4,915</u>
Contributions as a percentage of covered-employee payroll	<u>11.61%</u>	<u>9.75%</u>	<u>14.23%</u>	<u>13.39%</u>	<u>13.51%</u>	<u>13.48%</u>	<u>13.95%</u>	<u>14.47%</u>	<u>14.80%</u>	<u>18.80%</u>

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 3,563	\$ 3,550	\$ 3,163	\$ 2,787	\$ 2,485	\$ 3,068	\$ 2,894	\$ 3,555	\$ 3,722	\$ 4,808
Contributions in relation to the contractually required contribution	<u>3,563</u>	<u>3,550</u>	<u>3,163</u>	<u>2,787</u>	<u>2,485</u>	<u>3,068</u>	<u>2,894</u>	<u>3,555</u>	<u>3,722</u>	<u>4,808</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	<u>\$ 37,169</u>	<u>\$ 33,164</u>	<u>\$ 32,271</u>	<u>\$ 29,249</u>	<u>\$ 28,048</u>	<u>\$ 29,368</u>	<u>\$ 27,703</u>	<u>\$ 28,632</u>	<u>\$ 26,624</u>	<u>\$ 37,432</u>
Contributions as a percentage of covered-employee payroll	<u>9.59%</u>	<u>10.70%</u>	<u>9.80%</u>	<u>9.53%</u>	<u>8.86%</u>	<u>10.45%</u>	<u>10.45%</u>	<u>12.42%</u>	<u>13.98%</u>	<u>12.84%</u>

SUPPLEMENTARY INFORMATION

AUBURN ENLARGED CITY SCHOOL DISTRICT

**Supplementary Information
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2024**

	School Lunch	Misc. Special Revenue			Total
		Extra-classroom Activities	Scholarships	Debt Service	
ASSETS					
Cash and cash equivalents	\$ 963,357	\$ -	\$ -	\$ -	\$ 963,357
Cash and cash equivalents - restricted	-	101,836	499,104	56,247	657,187
State and federal aid receivable	175,900	-	20	-	175,920
Due from other funds	-	-	-	5,507	5,507
Inventory	212	-	-	-	212
TOTAL ASSETS	\$ 1,139,469	\$ 101,836	\$ 499,124	\$ 61,754	\$ 1,802,183
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
LIABILITIES:					
Accounts payable	\$ 145,324	\$ -	\$ -	\$ -	\$ 145,324
Accrued liabilities	-	-	6	-	6
Due to other funds	107,075	-	302,620	-	409,695
Unearned revenue	64,321	-	-	-	64,321
TOTAL LIABILITIES	316,720	-	302,626	-	619,346
FUND BALANCE					
Restricted	822,749	101,836	196,498	61,754	1,182,837
Total restricted fund balance	822,749	101,836	196,498	61,754	1,182,837
TOTAL FUND BALANCE	822,749	101,836	196,498	61,754	1,182,837
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND	\$ 1,139,469	\$ 101,836	\$ 499,124	\$ 61,754	\$ 1,802,183

The accompanying notes are an integral part of these statements.

AUBURN ENLARGED CITY SCHOOL DISTRICT

Supplementary Information

**Combining Statement of Revenue, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds
For the Year Ended June 30, 2024**

	<u>Misc. Special Revenue</u>				<u>Total</u>
	<u>School Lunch</u>	<u>Extra- classroom Activities</u>	<u>Scholarships</u>	<u>Debt Service</u>	
REVENUE:					
Use of money and property	\$ 224	\$ -	\$ -	\$ 15,840	\$ 16,064
Miscellaneous	-	159,417	15,203	-	174,620
State sources	197,146	-	-	-	197,146
Federal sources	2,300,262	-	-	-	2,300,262
Sales - school lunch	79,821	-	-	-	79,821
Total revenue	<u>2,577,453</u>	<u>159,417</u>	<u>15,203</u>	<u>15,840</u>	<u>2,767,913</u>
EXPENDITURES:					
General support	-	151,020	-	-	151,020
Employee benefits	46,716	-	-	-	46,716
Cost of sales	2,362,125	-	-	-	2,362,125
Other expenditures	-	-	11,404	-	11,404
Total expenditures	<u>2,408,841</u>	<u>151,020</u>	<u>11,404</u>	<u>-</u>	<u>2,571,265</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>168,612</u>	<u>8,397</u>	<u>3,799</u>	<u>15,840</u>	<u>196,648</u>
OTHER SOURCES AND (USES):					
Operating transfers out	(25,000)	-	-	-	(25,000)
Total other sources (uses)	<u>(25,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,000)</u>
CHANGE IN FUND BALANCE	143,612	8,397	3,799	15,840	171,648
FUND BALANCE - beginning of year	<u>679,137</u>	<u>93,439</u>	<u>192,699</u>	<u>45,914</u>	<u>1,011,189</u>
FUND BALANCE - end of year	<u>\$ 822,749</u>	<u>\$ 101,836</u>	<u>\$ 196,498</u>	<u>\$ 61,754</u>	<u>\$ 1,182,837</u>

The accompanying notes are an integral part of these statements.

OTHER INFORMATION (UNAUDITED)

AUBURN ENLARGED CITY SCHOOL DISTRICT

**Schedule of Change from Original Budget to Revised Budget and Schedule of Section 1318 of Real Property Tax Law Limit Calculation - General Fund (Unaudited)
For the Year Ended June 30, 2024**

CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET

Adopted budget	\$ 100,268,809
Add: Prior year's encumbrances	<u>469,876</u>
Original budget	100,738,685
Budget revisions	<u>113,256</u>
Final budget	<u>\$ 100,851,941</u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2023-24 voter-approved expenditure budget	\$ 104,404,172
Maximum allowed (4% of 2023-24 subsequent year's budget):	<u>\$ 4,176,167</u>

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

Unrestricted fund balance:	
Assigned fund balance	2,500,000
Unassigned fund balance	<u>14,483,255</u>
Total unrestricted fund balance	<u>\$ 16,983,255</u>
Less:	
Appropriated fund balance	<u>\$ 2,500,000</u>
Total adjustments	<u>2,500,000</u>
General Fund Balance Subject to Section 1318 of Real Property Tax Law	<u>\$ 14,483,255</u>
Actual percentage	<u>13.87%</u>

AUBURN ENLARGED CITY SCHOOL DISTRICT

**Schedule of Project Expenditures - Capital Projects Fund (Unaudited)
For the Year Ended June 30, 2024**

	Authorization		Expenditures			Available Balance
	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	
Districtwide Building Project	<u>\$ 43,745,300</u>	<u>\$ 43,745,300</u>	<u>\$ 24,752,606</u>	<u>\$ 7,376,342</u>	<u>\$ 32,128,948</u>	<u>\$ 11,616,352</u>
	<u>\$ 43,745,300</u>	<u>\$ 43,745,300</u>	<u>\$ 24,752,606</u>	<u>\$ 7,376,342</u>	<u>\$ 32,128,948</u>	<u>\$ 11,616,352</u>

AUBURN ENLARGED CITY SCHOOL DISTRICT

Schedule of Net Investment in Capital Assets (Unaudited)

June 30, 2024

Capital assets, net	\$ 89,957,861
Add:	
Deferred amounts on refunding	249,354
Unspent bond anticipation notes proceeds	12,778,030
Deduct:	
Short-term portion of leases	\$ (961,426)
Long-term portion of leases	(1,199,244)
Short-term portion of bonds payable	(3,187,926)
Long-term portion of bonds payable	(31,078,710)
Short-term portion of installment debt payable	(580,270)
Long-term portion of installment debt payable	(3,277,555)
Capital Projects accounts payable	<u>(1,242,395)</u>
Net investment in capital assets	<u>\$ 61,457,719</u>

**REPORT REQUIRED UNDER
UNIFORM GUIDANCE**

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

November 13, 2024

To the Board of Education of the
Auburn Enlarged City School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Auburn Enlarged City School District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 13, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.