

**CHITTENANGO
CENTRAL SCHOOL DISTRICT
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

June 30, 2025

CHITTENANGO CENTRAL SCHOOL DISTRICT

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CERTIFIED PUBLIC ACCOUNTANTS PLLC

INDEPENDENT AUDITOR'S REPORT

Board of Education
Chittenango Central School District
Chittenango, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Chittenango Central School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Chittenango Central School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Chittenango Central School District as of June 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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 Chittenango Central School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that *management's discussion and analysis; schedule of changes in the district's total OPEB liability and related ratios; schedule of revenues, expenditures and changes in fund balance - budget (non-GAAP basis) and actual- general fund; schedule of district contributions; and schedule of district's proportionate share of the net pension asset (liability)* on pages 4–11 and 53-56, respectively, 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 Chittenango Central School District's basic financial statements. The *schedule of change from adopted to final budget and the real property tax limit- general fund, the schedule of project expenditures – capital project fund, and net investment in capital assets*, on pages 57-59, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2025 on our consideration of Chittenango Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Chittenango Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Syracuse, New York
October 7, 2025

CHITTENANGO CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2025

The following is a discussion and analysis of the Chittenango Central School District's (the District) financial performance for the fiscal year ended June 30, 2025. The 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

- The District's total liabilities decreased approximately \$12,596,000. The primary drivers of the decrease are a bond anticipation note issued for approximately \$19,163,000 offset by a decrease in other postemployment benefits payable of approximately \$29,419,000 due to changes in assumptions and economic fluctuations used in the current year valuation.
- The District's government-wide net deficit decreased by approximately \$6,957,000 because of this year's operations. The majority of this decrease is related to increases in state sources and other general revenues along with a significant decrease in capital outlay.

Overview of the Financial Statements

This annual report consists of three parts: MD&A (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the 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 *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the district-wide statements. The fund financial statements concentrate on the District's most significant funds and all other non-major funds.
- The *governmental funds statements* tell how basic services such as general and special education were financed in the *short term* as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of MD&A highlights the structure and contents of each of the statements.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2025

Figure A-1 Major Features of the District-Wide and Fund Financial Statements

	District-Wide	Governmental Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance
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 revenues, expenditures, and changes in fund balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus
Type of asset/ deferred outflow of resources/ liability/ deferred inflow of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term.	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter; no capital assets or long-term liabilities included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable

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, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2025

District-Wide Statements (continued)

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, deferred outflow of resources, liabilities and deferred inflows of resources – is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements, the District's activities are shown as *Governmental activities*. Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and State formula aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" 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:

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Federal grants).

The District has Governmental Funds:

- The District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them. Included are the general fund, special-aid fund, school lunch fund, capital projects fund and debt service fund.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Our analysis below focuses on the net position (Table 1) and changes in net position (Table 3) of the District's governmental activities.

The District's combined net deficit decreased by \$6,956,593 from a year ago – decreasing from \$63,452,480 to \$56,495,887, primarily as a result of fluctuations in general revenue sources during the fiscal year.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2025

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (continued)

Table 1
Condensed Statement of Net Position

	District-Wide		Percent Change
	2025	2024	
Current and other assets	\$ 18,233,129	\$ 13,145,580	38.70%
Capital assets	75,888,575	65,050,539	16.66%
Net pension asset	2,508,296	-	100.00%
Total assets	96,630,000	78,196,119	23.57%
Deferred outflow of resources	11,972,502	17,012,815	-29.63%
Total assets and deferred outflow of resources	\$ 108,602,502	\$ 95,208,934	14.07%
Current liabilities	\$ 25,226,186	\$ 8,919,237	182.83%
Noncurrent liabilities	86,875,642	115,370,260	-24.70%
Net pension liability	3,265,618	3,673,809	-11.11%
Total liabilities	115,367,446	127,963,306	-9.84%
Deferred inflow of resources	49,730,943	30,698,108	62.00%
Net position (deficit):			
Net investment in capital assets	39,113,609	44,207,025	-11.52%
Restricted	6,456,520	8,966,119	-27.99%
Unrestricted net deficit	(102,066,016)	(116,625,624)	-12.48%
Total net position (deficit)	(56,495,887)	(63,452,480)	-10.96%
Total Liabilities, Deferred Inflow of Resources and Net Position (Deficit)	\$ 108,602,502	\$ 95,208,934	14.07%

CHITTENANGO CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2025

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (continued)

Table 2
Changes in Net Position (Deficit) from Operating Results

	District-Wide		Percent
	2025	2024	Change
REVENUES			
Program revenues:			
Charges for services	\$ 123,820	\$ 199,048	-37.79%
Operating grants and contributions	2,215,810	2,983,987	-25.74%
General revenues:			
Property taxes and other tax items	20,518,184	19,920,993	3.00%
State sources	24,982,779	23,004,607	8.60%
Medicaid reimbursement	268,945	218,112	23.31%
Other general revenues (expenses)	1,970,547	1,640,371	20.13%
Total revenues	50,080,085	47,967,118	4.41%
PROGRAM EXPENSES			
General support	6,135,817	7,371,890	-16.77%
Instruction	30,630,389	35,435,470	-13.56%
Transportation	3,756,320	4,135,240	-9.16%
Debt service	1,381,505	624,487	121.22%
School lunch program	1,219,461	1,045,345	16.66%
Total expenses	43,123,492	48,612,432	-11.29%
(Increase) Decrease in net deficit	\$ 6,956,593	\$ (645,314)	1178.02%

In Table 2, the District's total revenues increased by \$2,112,967, and the total cost of all programs and services decreased by \$5,488,940. Some of the variances causing these fluctuations are described below:

Last year expenses included \$4.8 million in a transfer from Capital Reserve to cover costs associated with the High School Roof. In addition, there were shifts that increased state revenue and certain other general revenues.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2025

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (continued)

Table 3 presents the cost of each of the District's largest programs as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

Governmental Activities

	Total cost of services		Net cost of (revenue from) services	
	2025	2024	2025	2024
General support	\$ 6,135,817	\$ 7,371,890	\$ 6,135,817	\$ 7,371,890
Instruction	30,630,389	35,435,470	29,593,886	33,477,208
Pupil transportation	3,756,320	4,135,240	3,756,320	4,135,240
Debt service	1,381,505	624,487	1,381,505	624,487
School lunch program	1,219,461	1,045,345	(83,666)	(179,428)
Total	<u>\$ 43,123,492</u>	<u>\$ 48,612,432</u>	<u>\$ 40,783,862</u>	<u>\$ 45,429,397</u>

Financial Analysis of the School District's Funds

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

Governmental Funds

The purpose of the District's governmental funds is to account for and provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. The unreserved fund balance is divided between designated balances and undesignated balances. The District has designated portions of the unreserved fund balance to earmark resources for certain government-wide liabilities and postemployment obligations that are not recognized in the governmental funds. Fund balances for capital projects are restricted by State law to be spent for the purpose of the fund and are not available for spending at the District's discretion.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2025

General Fund Budgetary Highlights

The budgetary comparison information on page 54 presents both adopted and final modified budget totals compared with actual results for the general fund for the year ended June 30, 2025. The significant variances between the adopted and the final budget for 2025 were as follows:

Adopted budget	\$ 47,934,140
Board approved budget adjustments:	1,285
2024 Additional Appropriations:	
Encumbrances Carryover	<u>57,268</u>
Final budget	<u><u>\$ 47,992,693</u></u>

Capital Assets and Debt Administration

Capital Assets

At the end of 2025, the District had \$75,888,575 invested in a broad range of capital assets, including equipment and buildings. Table 4 categorically illustrates the District's capital assets net of related depreciation.

Table 4
Capital Assets at Year End (Net of Depreciation)

	Capital Assets		Percent Change
	2025	2024	
Land	\$ 1,233,554	\$ 1,233,554	0.00%
Buildings and improvements	70,342,202	70,242,202	0.14%
Equipment	42,741,583	42,796,315	-0.13%
Construction in progress	15,596,015	2,812,072	454.61%
Less: accumulated depreciation	<u>(54,024,779)</u>	<u>(52,033,604)</u>	<u>3.83%</u>
Total	<u><u>\$ 75,888,575</u></u>	<u><u>\$ 65,050,539</u></u>	<u><u>16.66%</u></u>

Long-Term Obligations

At year-end, the District had approximately \$90.1 million in long-term obligations compared to approximately \$121.6 million last year, a decrease of 25.88% as shown in Table 5.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2025

Long-Term Obligations (continued)

Table 5
Outstanding Long-term Obligations, at Year End

	District-Wide		Percent Change
	2025	2024	
General obligation bonds	\$ 16,803,237	\$ 18,329,381	-8.33%
Finance type lease obligation	808,347	994,704	-18.73%
Other postemployment benefits payable	68,859,292	98,277,943	-29.93%
Net pension liability	3,265,618	3,673,809	-11.11%
Workers compensation	152,166	108,356	40.43%
Compensated absences	252,600	234,247	7.83%
Total long term obligations	<u>\$ 90,141,260</u>	<u>\$ 121,618,440</u>	<u>-25.88%</u>

The decrease is the result of changes to the assumptions used to measure other postemployment benefit obligations payable and net pension liabilities. The state limits the amount of general obligation debt that Districts can issue to 10% of the assessed value of all taxable property within the District's geographic limits. The District's outstanding general obligation debt of \$16.8 million is below the state-imposed debt limit. More detailed information about the District's long-term liabilities is presented in Note 8 to the financial statements.

Factors bearing on the District's Future

- The District's OPEB (other postemployment benefits) liability actuarially calculated for the current year resulted in a net decrease in the District's liability of approximately, \$29.4 million. The main factor contributing to the decrease is a change in the actuarial assumptions.
- At June 30, 2025, the District had exhausted 27.31% of its constitutional debt limit.
- Since the District successfully entered the Central New York Health Insurance Cooperative, the cost of health insurance has stabilized but may rise in the future.
- Employer contributions for Teachers' Retirement System and Employees' Retirement System may continue to fluctuate.
- As a result of New York State settling the Oneida Indian Nation claim, the Chittenango Central School District continues to analyze the impact of nation land being put into the land trust. The potential impact means \$121,000 in annual real property taxes will have to be redistributed to other taxpayers within the District. The District will continue to monitor and disclose loss of assessed property valuation as the Oneida Indian Nation continues to purchase property.
- The District is carefully evaluating the State of New York's decision that beginning in 2027 buses must be electric and the entire fleet be zero emissions by 2035. The District is currently calculating the financial impact this will have on taxpayers based on the current information available.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School District Business Office at 1732 Fyler Road, Chittenango, New York 13037.

CHITTENANGO CENTRAL SCHOOL DISTRICT

Statement of Net Position (Deficit)

June 30, 2025

ASSETS	
Cash	
Unrestricted	\$ 4,303,406
Restricted	10,820,541
Receivables	
State and federal aid	3,057,221
Other	5,122
Inventories	46,839
Capital assets, net	75,888,575
Net pension asset- proportionate share	2,508,296
Total assets	<u>96,630,000</u>
DEFERRED OUTFLOW OF RESOURCES	
Other postemployment benefits	4,536,534
Pensions	7,435,968
Total deferred outflow of resources	<u>11,972,502</u>
Total assets and deferred outflows of resources	<u>\$ 108,602,502</u>
LIABILITIES	
Accounts payable	\$ 2,988,068
Accrued liabilities	851,998
Due to other governments	328
Due to teachers' retirement system	1,871,402
Due to employees' retirement system	351,008
Notes payable	
Bond anticipation	19,163,382
Long-term liabilities	
Due and payable within one year	
Bonds payable	1,286,144
Finance type lease obligation	192,506
Due and payable after one year	
Bonds payable	15,517,093
Finance type lease obligation	615,841
Other postemployment benefits payable	68,859,292
Compensated absences payable	252,600
Workers compensation	152,166
Net pension liability- proportionate share	3,265,618
Total liabilities	<u>115,367,446</u>
DEFERRED INFLOW OF RESOURCES	
Pensions	3,231,335
Other postemployment benefits	46,499,608
Total deferred inflow of resources	<u>49,730,943</u>
NET POSITION (DEFICIT)	
Net investment in capital assets	39,113,609
Restricted	6,456,520
Unrestricted (deficit)	<u>(102,066,016)</u>
Total net deficit	<u>(56,495,887)</u>
Total liabilities, deferred inflows of resources and net position (deficit)	<u>\$ 108,602,502</u>

See notes to basic financial statements

CHITTENANGO CENTRAL SCHOOL DISTRICT
Statement of Activities and Changes in Net Position (Deficit)
For the Year Ended June 30, 2025

	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position
			Charges for Services	Operating Grants	
FUNCTIONS/PROGRAMS					
General support	\$ (4,487,524)	\$ (1,648,293)	\$ -	\$ -	\$ (6,135,817)
Instruction	(19,779,125)	(10,851,264)	40,052	996,451	(29,593,886)
Pupil transportation	(2,520,100)	(1,236,220)	-	-	(3,756,320)
Employee benefits	(13,851,334)	13,851,334	-	-	-
Debt service - interest	(1,381,505)	-	-	-	(1,381,505)
School lunch program	(1,103,904)	(115,557)	83,768	1,219,359	83,666
Total functions and programs	<u>\$ (43,123,492)</u>	<u>\$ -</u>	<u>\$ 123,820</u>	<u>\$ 2,215,810</u>	<u>(40,783,862)</u>
GENERAL REVENUES					
Real property taxes					18,328,028
Other real property tax items					2,190,156
Use of money and property					1,071,607
Sale of property and compensation for loss					78,689
State sources					24,982,779
Medicaid reimbursement					268,945
Miscellaneous					<u>820,251</u>
Total general revenues					<u>47,740,455</u>
Change in net position					6,956,593
Total net deficit - beginning of year					<u>(63,452,480)</u>
Total net deficit - end of year					<u>\$ (56,495,887)</u>

See notes to basic financial statements

CHITTENANGO CENTRAL SCHOOL DISTRICT

Balance Sheet - Governmental Funds

June 30, 2025

	Major Funds			Non-Major Funds		Total
	General	Debt Service	Capital Projects Fund	Special Aid	School Lunch Fund	Governmental Funds
ASSETS						
Cash						
Unrestricted	\$ 4,177,303	\$ -	\$ -	\$ -	\$ 126,103	\$ 4,303,406
Restricted	2,308,909	3,944,223	4,549,256	18,153	-	10,820,541
Receivables						
State and federal aid	2,333,146	-	-	632,170	91,905	3,057,221
Due from other funds	704,673	27,661	961,749	-	417,358	2,111,441
Other	5,122	-	-	-	-	5,122
Inventories	-	-	-	-	46,839	46,839
Total assets	<u>\$ 9,529,153</u>	<u>\$ 3,971,884</u>	<u>\$ 5,511,005</u>	<u>\$ 650,323</u>	<u>\$ 682,205</u>	<u>\$ 20,344,570</u>
LIABILITIES						
Accounts payable	\$ 102,580	\$ -	\$ 2,884,638	\$ 850	\$ -	\$ 2,988,068
Accrued liabilities	772,907	-	-	8,428	25,157	806,492
Due to other funds	1,406,769	-	-	641,045	63,627	2,111,441
Due to other governments	-	-	-	-	328	328
Due to teachers' retirement system	1,871,402	-	-	-	-	1,871,402
Due to employees' retirement system	332,741	-	-	-	18,267	351,008
Notes payable						
Bond anticipation	-	-	19,163,382	-	-	19,163,382
Total liabilities	<u>4,486,399</u>	<u>-</u>	<u>22,048,020</u>	<u>650,323</u>	<u>107,379</u>	<u>27,292,121</u>
FUND BALANCES						
Nonspendable:						
Reserved for inventory	-	-	-	-	46,839	46,839
Restricted for:						
Reserved for tax certiorari	133,431	-	-	-	-	133,431
Reserved for workers' compensation	200,000	-	-	-	-	200,000
Reserved for unemployment insurance	109,303	-	-	-	-	109,303
Reserved for retirement contributions	182,813	-	-	-	-	182,813
Reserved for capital expenditures	8,884	-	-	-	-	8,884
Reserved for repairs	1,105,789	-	-	-	-	1,105,789
Reserved for employee benefits	375,000	-	-	-	-	375,000
Reserved for debt service	-	3,971,884	-	-	-	3,971,884
Reserved for scholarships	193,689	-	-	-	-	193,689
Committed to:						
Committed fund balance	175,727	-	-	-	-	175,727
Assigned to:						
Assigned appropriated fund balance	2,196,987	-	-	-	-	2,196,987
Assigned unappropriated fund balance	246,032	-	-	-	527,987	774,019
Unassigned:						
Unassigned fund balance	115,099	-	(16,537,015)	-	-	(16,421,916)
Total fund balances	<u>5,042,754</u>	<u>3,971,884</u>	<u>(16,537,015)</u>	<u>-</u>	<u>574,826</u>	<u>(6,947,551)</u>
Total liabilities and fund balances	<u>\$ 9,529,153</u>	<u>\$ 3,971,884</u>	<u>\$ 5,511,005</u>	<u>\$ 650,323</u>	<u>\$ 682,205</u>	<u>\$ 20,344,570</u>

See notes to basic financial statements

CHITTENANGO CENTRAL SCHOOL DISTRICT

**Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Position (Deficit)**

June 30, 2025

	Total Governmental Funds	Long-term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
ASSETS				
Cash				
Unrestricted	\$ 4,303,406	\$ -	\$ -	\$ 4,303,406
Restricted	10,820,541	-	-	10,820,541
Receivables				
State and federal aid	3,057,221	-	-	3,057,221
Due from other funds	2,111,441	-	(2,111,441)	-
Other	5,122	-	-	5,122
Inventories	46,839	-	-	46,839
Capital assets, net	-	75,888,575	-	75,888,575
Net pension asset- proportionate share	-	2,508,296	-	2,508,296
Total assets	20,344,570	78,396,871	(2,111,441)	96,630,000
DEFERRED OUTFLOWS OF RESOURCES				
Other postemployment benefits	-	4,536,534	-	4,536,534
Pensions	-	7,435,968	-	7,435,968
Total deferred outflows of resources	-	11,972,502	-	11,972,502
Total assets and deferred outflows of resources	\$ 20,344,570	\$ 90,369,373	\$ (2,111,441)	\$ 108,602,502
LIABILITIES				
Payables				
Accounts payable	\$ 2,988,068	\$ -	\$ -	\$ 2,988,068
Accrued liabilities	806,492	45,506	-	851,998
Due to other funds	2,111,441	-	(2,111,441)	-
Due to other governments	328	-	-	328
Due to employees' retirement system	351,008	-	-	351,008
Due to teachers' retirement system	1,871,402	-	-	1,871,402
Notes payable				
Bond anticipation	19,163,382	-	-	19,163,382
Long-term debt-due within one year				
Bonds payable	-	1,286,144	-	1,286,144
Finance type lease obligation	-	192,506	-	192,506
Long-term debt-due in more than one year				
Bonds payable	-	15,517,093	-	15,517,093
Finance type lease obligation	-	615,841	-	615,841
Other postemployment benefits payable	-	68,859,292	-	68,859,292
Workers compensation	-	152,166	-	152,166
Compensated absences	-	252,600	-	252,600
Net pension liability- proportionate share	-	3,265,618	-	3,265,618
Total liabilities	27,292,121	90,186,766	(2,111,441)	115,367,446
DEFERRED INFLOWS OF RESOURCES				
Pensions	-	3,231,335	-	3,231,335
Other postemployment benefits	-	46,499,608	-	46,499,608
Total deferred inflows of resources	-	49,730,943	-	49,730,943
FUND BALANCE/NET POSITION (DEFICIT)				
Total fund balance/net position (deficit)	(6,947,551)	(49,548,336)	-	(56,495,887)
Total liabilities and fund balance/net position (deficit)	\$ 20,344,570	\$ 90,369,373	\$ (2,111,441)	\$ 108,602,502

See notes to basic financial statements

CHITTENANGO CENTRAL SCHOOL DISTRICT

**Statement of Revenues, Expenditures
and Changes in Fund Balances - Governmental Funds**

For the Year Ended June 30, 2025

	Major Funds			Non-Major Funds		
	General	Debt Service	Capital Projects Fund	Special Aid	School Lunch Fund	Governmental Funds
REVENUES						
Real property taxes	\$ 18,328,028	\$ -	\$ -	\$ -	\$ -	\$ 18,328,028
Other real property tax items	2,190,156	-	-	-	-	2,190,156
Charges for services	40,052	-	-	-	-	40,052
Use of money and property	451,252	199,640	420,715	-	-	1,071,607
Sale of property and compensation for loss	130,500	-	-	-	-	130,500
State sources	23,808,310	-	-	1,174,469	550,606	25,533,385
Sales	-	-	-	-	83,768	83,768
Miscellaneous	719,268	-	-	-	4,766	724,034
Federal sources	268,945	-	-	996,451	668,753	1,934,149
Total revenues	45,936,511	199,640	420,715	2,170,920	1,307,893	50,035,679
EXPENDITURES						
General support	4,078,224	-	-	-	-	4,078,224
Instruction	23,038,086	-	-	2,151,034	-	25,189,120
Pupil transportation	3,009,796	-	-	42,176	-	3,051,972
School lunch program	-	-	-	-	1,102,506	1,102,506
Employee benefits	13,673,614	-	-	-	115,557	13,789,171
Debt service						
Principal	2,045,786	-	-	-	-	2,045,786
Interest	1,592,999	-	-	-	-	1,592,999
Capital outlay	139,330	-	13,481,338	-	-	13,620,668
Total expenditures	47,577,835	-	13,481,338	2,193,210	1,218,063	64,470,446
Finance type lease obligation						
Excess (deficiency) of revenues over expenditures	(1,641,324)	199,640	(13,060,623)	(22,290)	89,830	(14,434,767)
OTHER FINANCING SOURCES AND USES						
BANs redeemed from appropriations	-	-	539,429	-	-	539,429
Premium on BANs issued	-	-	96,217	-	-	96,217
Interfund transfers, net	(26,073)	-	3,783	22,290	-	-
Total other sources (uses)	(26,073)	-	639,429	22,290	-	635,646
Excess (deficiency) of revenues and other sources over expenditures and other (uses)	(1,667,397)	199,640	(12,421,194)	-	89,830	(13,799,121)
Fund balance (deficit) - beginning of year	6,710,151	3,772,244	(4,115,821)	-	484,996	6,851,570
Fund balance (deficit) - end of year	\$ 5,042,754	\$ 3,971,884	\$ (16,537,015)	\$ -	\$ 574,826	\$ (6,947,551)

See notes to basic financial statements

CHITTENANGO CENTRAL SCHOOL DISTRICT

**Reconciliation of Governmental Funds Revenues, Expenditures, and Changes in
Fund Balance (Deficit) to the Statement of Activities**

For the Year Ended June 30, 2025

	Total Governmental Funds	Long-term Revenue, Expenses	Capital Related Items	Long-term Debt Transactions	Statement of Activities Totals
REVENUES					
Real property taxes	\$ 18,328,028	\$ -	\$ -	\$ -	\$ 18,328,028
Other real property tax items	2,190,156	-	-	-	2,190,156
Charges for services	40,052	-	-	-	40,052
Use of money and property	1,071,607	-	-	-	1,071,607
Sale of property and compensation for loss	130,500	-	(51,811)	-	78,689
State sources	25,533,385	-	-	-	25,533,385
Federal sources	1,934,149	-	-	-	1,934,149
Sales - school lunch	83,768	-	-	-	83,768
Miscellaneous	724,034	-	-	-	724,034
Total revenues	50,035,679	-	(51,811)	-	49,983,868
EXPENDITURES/EXPENSES					
General support	4,078,224	(940,893)	1,507,856	(157,663)	4,487,524
Instruction	25,189,120	(6,194,210)	1,047,770	(263,555)	19,779,125
Pupil transportation	3,051,972	(705,669)	173,797	-	2,520,100
School lunch program	1,102,506	-	1,398	-	1,103,904
Employee benefits	13,789,171	62,163	-	-	13,851,334
Debt service	3,638,785	-	-	(2,257,280)	1,381,505
Capital outlay	13,620,668	-	(13,620,668)	-	-
Total expenditures/expenses	64,470,446	(7,778,609)	(10,889,847)	(2,678,498)	43,123,492
Excess (deficiency) of revenues over expenditures/expenses	(14,434,767)	7,778,609	10,838,036	2,678,498	6,860,376
OTHER SOURCES AND USES					
BANs redeemed from appropriations	539,429	-	-	(539,429)	-
Premium on BANs issued	96,217	-	-	-	96,217
Total other sources (uses)	635,646	-	-	(539,429)	96,217
Net change for the year	\$ (13,799,121)	\$ 7,778,609	\$ 10,838,036	\$ 2,139,069	\$ 6,956,593

See notes to basic financial statements

CHITTENANGO CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 1 – Summary of Certain Significant Accounting Policies

The financial statements of the Chittenango Central School District (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. Significant accounting principles and policies used by the District are described below:

A) Reporting entity:

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

The financial reporting entity is based on criteria set forth by GASB. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity and the District does not have any component units included in the accompanying financial statements. The decision to include a potential component unit in the District’s reporting entity is based on several criteria including legal standing, fiscal dependency and financial accountability. Based on the application of these criteria, the following is a brief description of certain entities included in the District’s reporting entity:

i) Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the District represent the funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Fund is independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Fund can be found at the District’s business office. The District accounts for assets held for various student organizations in the general fund.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 1 - Summary of Certain Significant Accounting Policies (continued)

B) Joint venture:

The District is a component district in Onondaga-Cortland-Madison Board of Cooperative Education Services (OCMBOCES). A Board of Cooperative Education Services (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. There are 23 participating school districts, including Chittenango Central School District, in OCMBOCES.

The participation in OCMBOCES is accounted for as a joint venture by the District since it has both an ongoing financial interest and an ongoing financial responsibility to OCMBOCES. The District has an ongoing financial interest since OCMBOCES pays surpluses to the component districts on an annual basis, although the District has no equity interest in OCMBOCES. The District does not control the financial or operating policies of OCMBOCES; however, it has an ongoing financial responsibility since the continued existence of OCMBOCES depends on continued funding from the participating school districts.

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

A BOCES' budget is comprised of separate budgets for administrative, program and capital costs. Each component 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 districts pay tuition or a service fee for programs in which its students participate.

During the year, the District was billed \$4,528,016 for OCMBOCES administrative and program costs. The District's share of OCMBOCES aid amounted to \$1,736,179. Financial statements for the BOCES are available from the BOCES administrative office. As of June 30, 2024 (the most recent available audited financial statements), OCMBOCES has a total net position (deficit) of \$(188,853,718).

The District contracts with OCMBOCES whereby contracts convey control of the right to use the underlying assets in the contracts for a period of time in an exchange like transaction. These contracts at inception have terms ranging from 4 to 5 years and are for technology and other equipment. These contracts are not significant to these financial statements and are recognized as an outflow of resources in accordance with the terms and conditions of the contracts.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 1 - Summary of Certain Significant Accounting Policies (continued)

C) Basis of presentation:

i) District-wide statements:

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

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

ii) Fund financial statements:

The fund statements provide information about the District's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are reported as non-major funds.

Governmental funds are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources, and the related liabilities are accounted for through governmental funds. The emphasis of governmental fund financial statements is on major funds as defined by GASB, each displayed in a separate column. All remaining governmental funds are reported as non-major funds. The District reports the following major governmental funds:

General fund: This is the District's primary operating fund. It accounts for all financial transactions except those required to be accounted for in another fund.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 1 - Summary of Certain Significant Accounting Policies (continued)

C) Basis of presentation (continued):

Capital project funds: These funds are used to account for the financial resources used for acquisition, construction, or major repair of, or the right-to-use capital facilities and other capital and intangible assets. For these funds, each capital project is assessed to determine whether it is a major or non-major fund. Those capital projects that are determined to be major are reported in separate columns in the financial statements.

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. When a capital asset is sold and all or a portion of the bonds used to finance the capital asset are outstanding, this fund must be used to account for the proceeds from the sale of capital assets up to the balance of the related bonds outstanding.

The District reports the following non-major governmental funds:

Special revenue funds: These funds account for the proceeds of specific revenue sources such as federal and state grants that are legally restricted to expenditures for specified purposes, child nutrition and school store operations or 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. The Special Revenue Funds are:

Special aid fund: Used to account for special operating projects or programs supported in whole, or in part, with federal funds or state or Local grants.

School lunch fund: Used to account for transactions of the lunch, breakfast and milk programs.

D) Measurement focus and basis of accounting:

Measurement focus describes what type of information is reported and is either the economic resources measurement focus or the current financial resources measurement focus. The economic resources measurement focus reports all assets, liabilities, and deferred resources related to a given activity, as well as transactions of the period that affect net position. For example, all assets, whether financial (e.g., cash and receivables) or capital (e.g., property and equipment) and liabilities (including long-term debt and obligations) are reported. The current financial resources measurement focus reports more narrowly on assets, liabilities, and deferred resources that are relevant to near-term liquidity, along with net changes resulting from transactions of the period. Consequently, capital assets and the unmatured portion of long-term debt and certain other liabilities the District would not expect to liquidate currently with expendable available resources (e.g. compensated absences for employees still in active service) would not be reported.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 1 - Summary of Certain Significant Accounting Policies (continued)

D) Measurement focus and basis of accounting (continued):

Basis of accounting describes when changes are recognized and is either the accrual basis of accounting or the modified accrual basis of accounting. The accrual basis of accounting recognizes changes in net position when the underlying event occurs, regardless of the timing of related cash flows. The modified accrual basis of accounting recognizes changes only at the point they affect near-term liquidity.

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded 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, state aid, grants and donations. On an accrual basis, revenue from real property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from state aid is recognized in the fiscal year it is appropriated by the state. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, 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 90 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, lease liabilities, subscription liabilities, claims and judgments, compensated absences, workers' compensation, pensions, and other post-employment benefits, which are recognized as expenditures to the extent they have matured. Generally, capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under finance type leases are reported as other financing sources.

E) Real property taxes:

Real property taxes are levied annually by the Board of Education no later than September 1 and become a lien on October 31st. Taxes were collected during the period September 1 to October 31. Uncollected real property taxes are subsequently enforced by Onondaga and Madison Counties (the Counties), in which the District is located. The Counties pay an amount representing uncollected real property taxes transmitted to the Counties for enforcement to the District no later than the following April 1st.

F) Restricted resources:

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

CHITTENANGO CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 1 - Summary of Certain Significant Accounting Policies (continued)

G) 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 expenditure and revenues to provide financing or other services. This includes the transfer of unrestricted general fund revenues to finance various programs that the District must account for in other funds in accordance with budgetary authorizations.

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

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the District's practice to settle these amounts at a net balance based upon the right of legal offset. Refer to Note 5 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

H) Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, pension costs, OPEB, workers; compensation liabilities, potential contingent liabilities, useful lives of capital assets, intangible lease assets, and intangible subscription assets.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 1 - Summary of Certain Significant Accounting Policies (continued)

I) Cash, cash equivalents, and investments:

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 date of acquisition.

New York State law governs the District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (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. Investments are stated at fair value, based on quoted market prices.

Certain cash balances are restricted by various legal or contractual obligations, such as legal reserves or debt agreements.

J) Accounts receivable:

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

K) Inventories and prepaid items:

Inventories of food in the School lunch fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food donated by the U.S. Department of Agriculture, at the Government's assigned 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 and balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of receipt and/or purchase and an expense/expenditure is reported in the year the goods or services are consumed. A reserve for these non-liquid assets (inventories and prepaid items) has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 1 - Summary of Certain Significant Accounting Policies (continued)

L) Other assets/restricted assets:

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

In the district-wide financial statements, bond discounts and premiums, and any prepaid bond insurance costs are deferred and amortized over the life of the debt issue. Bond issuance costs are recognized as an expense in the period incurred.

L) Capital assets:

Capital assets are reported at historical costs. Donated assets are reported at estimated fair market value at the time received. Land and construction in progress are not depreciated. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and improvements	\$1,000	Straight Line	20-50 yrs.
Furniture and equipment	\$1,000	Straight Line	5-20 yrs.

M) Deferred Outflows and Inflows of Resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has four items that qualify for reporting in this category. First is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The third item is the District's contributions to the pension systems (TRS and ERS Systems) and OPEB subsequent to the measurement date. The fourth item relates to OPEB reporting in the district wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

In addition to liabilities, the Statement of Net Position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has four items that

CHITTENANGO CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 1 - Summary of Certain Significant Accounting Policies (continued)

N) Deferred Outflows and Inflows of Resources (continued):

qualify for reporting in this category. First arises only under a modified accrual basis of accounting and is reported as unavailable revenue – property taxes. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The third item is revenues from grants received that have met all other eligibility requirements except those related to time restrictions. The fourth item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

O) Unearned credits:

The District reports unearned credits on its statement of net position and its balance sheet. On the statement of net position, unearned credits arise 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 credits is removed and revenue is recognized.

P) Employee benefits – Compensated Absences:

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

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation, or death, employees may contractually receive a payment based on unused accumulated sick leave and/or a credit towards their health insurance obligation.

Vacation eligibility and accumulation is specified in collective bargaining agreements and in individual employment contracts. Some earned benefits may be forfeited if not taken within varying time period. Employees are compensated for unused accumulated vacation leave through paid time off or cash payment upon retirement, termination or death.

Certain collectively bargained agreements require these payments to be paid in the form of non-elective contributions into the employee's section 403(b) plan.

In the district-wide financial statements, the District recognized a liability for compensated absences, including vacation and sick leave, when employees have earned the right to the leave and it is more likely than not that the leave will be used for time off or otherwise paid in cash, or settled through other means. The liability is measured at the employee's rate of pay at the reporting date, including salary-related payments such as social security and Medicare taxes.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 1 - Summary of Certain Significant Accounting Policies (continued)

P) Employee benefits – Compensated Absences (continued):

In the fund statements, a liability is reported only for payment due for unused compensated absences for those employees that have obligated themselves to separate from service with the District by June 30th.

Q) Other Benefits:

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

District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Sections 403(b) and 457.

The District provides individual or family health insurance coverage for active employees pursuant to collective bargaining agreements and individual employment contracts.

In addition to providing these benefits, the District provides individual, family, or surviving spouse postemployment health insurance coverage for eligible retired employees. Collective bargaining agreements and individual employment contracts determine if District employees are eligible for these benefits if they reach normal retirement age while working for the District. Healthcare benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognized the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the governmental funds as the liabilities for premiums mature (come due for payment). In the district-wide statements, the cost of post-employment health insurance coverage is recognized on the economic resources measurement focus and the accrual basis of accounting in accordance with the criteria set forth by GASB.

R) Short-term debt:

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

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

The District may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. BANs that are replaced with long-term financing or renewed subsequent to the year-end but before the issuance of the financial statements are treated as long-term liabilities, as these notes will not require the use of working capital during that period. State law requires

CHITTENANGO CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 1 - Summary of Certain Significant Accounting Policies (continued)

R) Short-term debt (continued):

that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

The following is a summary of changes in short-term debt for the year ended June 30, 2025:

Balance, July 1	\$ 1,519,429
Increases	19,163,382
Decreases	<u>(1,519,429)</u>
Balance, June 30	<u>\$ 19,163,382</u>

S) Accrued liabilities and long-term obligations:

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

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

T) Equity classifications:

District-wide statements:

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) and intangible lease and subscription assets (present value of future payments remaining on the term less accumulated amortization), reduced by outstanding balances of related debt obligations from the acquisition, constructions, improvements of, and the right-to-use those assets, net of any unexpended proceeds.

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.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 1 - Summary of Certain Significant Accounting Policies (continued)

T) Fund Balance classifications (continued):

Unrestricted net position – reports the balance of net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the District.

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

Non-spendable – includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the School lunch fund of \$46,839.

Restricted – includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The District has established the following restricted fund balances:

Debt Service Reserve Fund

According to General Municipal Law §6-l, the Mandatory 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 sale. The funding of the reserve is from the proceeds of the sale of District property or capital improvement. This reserve is accounted for in the Debt service fund.

Employee Benefit Accrued Liability Reserve Fund

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

Retirement Contributions Reserve Fund

According to General Municipal Law §6-r, all expenditures made from the retirement contributions reserve fund must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This reserve is established by Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. This reserve is accounted for in the general fund. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the subfund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r. This reserve is accounted for in the general fund.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 1 - Summary of Certain Significant Accounting Policies (continued)

T) Fund Balance classifications (continued):

Unemployment Insurance Reserve Fund

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

Capital Reserve Fund

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

Tax Certiorari Reserve Fund

According to Education Law §3651.1-a, funds must be used to establish a reserve fund for tax certiorari judgements and claims and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount that might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve that 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.

Workers' Compensation Reserve Fund

According to GML §6-j, all expenditures made from the worker's compensation reserve fund 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 excess applied to the appropriations of the next succeeding fiscal years' budget. This reserve is accounted for in the general fund.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 1 - Summary of Certain Significant Accounting Policies (continued)

T) Fund Balance classifications (continued):

Repair Reserve Funds

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

Restricted fund balance includes the following:

Description	
General fund	
Reserved for capital expenditures	\$ 8,884
Reserved for workers' compensation	200,000
Reserved for unemployment insurance	109,303
Reserved for employee benefit accrued liability	375,000
Reserved for retirement contributions	182,813
Reserved for repairs	1,105,789
Reserved for tax certiorari	133,431
Reserved for scholarships	193,689
Debt service fund	
Reserved for repayments of debt service	3,971,884
	<u>\$ 6,280,793</u>

Committed – includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the districts highest level of decision-making authority, i.e., the Board of Education. The District has committed fund balance of \$175,727 for Extraclassroom Activities in the general fund as of June 30, 2025.

Assigned – Includes amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the general fund, and in funds other than the general fund. Assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes amounts appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year. All encumbrances of the general fund are classified as Assigned Fund Balance. Encumbrances reported in the General fund amounted to \$246,032. Any remaining fund balance in other funds is considered assigned. The School lunch fund also reports assigned fund balance of \$527,987.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 1 - Summary of Certain Significant Accounting Policies (continued)

T) Fund Balance classifications (continued):

As of June 30, 2025, the District's General fund encumbrances were classified as follows:

General support	\$ 60,443
Instruction	183,296
Pupil transportation	945
Employee benefits	<u>1,348</u>
	<u>\$ 246,032</u>

Unassigned – 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. In funds other than the General Fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

New York State Real Property Tax Law §1318 limits the amount of unexpended surplus funds, excluding the reserve for tax reduction, a school district can retain to no more than 4% of the District's budget for the General fund for the ensuing fiscal year. Non-spendable and restricted fund balance of the General fund are also excluded from the 4% limitation. Amounts appropriated for the subsequent year, encumbrances and amounts reserved for insurance recoveries are also excluded from the 4% limitation.

Net Position/Fund Balance

Net Position Flow Assumption: Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted- net position in the district-wide financial statements, a flow assumption must be made about the order in which resources are considered to be applied.

Fund Balance Flow Assumption: Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

Order of Use of Fund Balance:

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications (e.g., expenditures related to reserves) the expenditure is to be spent first from the restricted fund balance to the extent appropriated by either budget vote or board approved budget revision and then from the unrestricted fund balance. Expenditures incurred in the unrestricted fund balances shall be applied first to the assigned fund balance to the extent that there is an assignment and then to the unassigned fund balance.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 1 - Summary of Certain Significant Accounting Policies (continued)

U) New accounting standards:

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2025, the District implemented the following new standards issued by GASB:

GASB has issued Statement No. 101, *Compensated Absences*, effective for the year ending June 30, 2025. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has not been used, but not yet paid in cash or settled through noncash means. This liability would include leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

GASB has issued Statement No. 102, *Certain Risk Disclosures*, effective for the year ending June 30, 2025. This Statement's objective is to provide users of governmental financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

V) Future changes in accounting standards:

GASB has issued Statement No. 103, *Financial Reporting Model Improvements*, effective for the year ending June 30, 2026. This Statement's objective is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assisting a government's accountability. Additionally, the statements also address certain application issues.

GASB has issued Statement No. 104, *Disclosure of Certain Capital Assets*, effective for the year ending June 30, 2026. This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosure such as leased assets, intangible right-to-use assets, and assets held for sale.

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

Note 2 - Explanation of Certain Differences Between Fund Statements and District-Wide Statements

Due to the differences in the measurement focus and basis of accounting used in the funds 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 District-wide statements, compared with the current financial resources focus of the governmental funds.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 2 - Explanation of Certain Differences Between Fund Statements and District-Wide Statements (continued)

A) Total fund balances of Governmental Funds versus 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 primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental fund Balance Sheets, as applied to the reporting of capital assets and deferred outflows of resources, and long-term assets and liabilities, and deferred inflows of resources.

B) Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities:

Differences between the funds' Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of five broad categories. This reconciliation is performed on page 17. The amounts represent:

i) Long-term revenue differences:

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a current financial resources measurement focus and the modified accrual basis, whereas the economic resources measurement focus and the accrual basis of accounting is used on the Statement of Activities.

ii) Capital related differences:

Capital related differences include the difference between proceeds for the sale of capital assets reported on 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 acquisition of capital items in the fund statements and depreciation expense on those items as recorded in the Statement of Activities.

iii) Long-term debt transaction differences:

Long-term debt transaction differences occur because the issuance of long-term debt provides current financial resources to governmental funds but is recorded as a liability in the Statement of Net Position. In addition, both interest and principal payments are recorded as expenditures in the fund statements when due and payable, whereas interest expense is recorded in the Statement of Activities as it accrues, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

iv) Pension differences:

Pension differences occur as a result of recognizing pension costs using the current financial resources measurement focus and the modified accrual basis of accounting, whereby an expenditure is recognized based on the contractually required contribution as calculated by the plan, versus the economic resources measurement focus and the accrual basis of accounting, whereby an expense is recognized related to the District's proportionate share of the collective pension expense of the plan.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 2 - Explanation of Certain Differences Between Fund Statements and District-Wide Statements (continued)

v) OPEB differences:

OPEB differences occur as a result of recognizing OPEB costs using the current financial resources measurement focus and the modified accrual basis of accounting, whereby an expenditure is recognized for health insurance premiums and OPEB costs as they mature (come due for payment), versus the economic resources measurement focus and the accrual basis of accounting, whereby an expense is recognized related to the future cost of benefits in retirement over the term of employment.

Note 3 – Stewardship, Compliance and Accountability

Budgets: The District administration prepares a proposed budget for approval by the Board of Education, which in turn is either approved or disapproved by eligible voters in the District. The voters of the District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line level. Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations authorized for the year may be increased by the amount of encumbrances carried forward from the prior year. 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 can be funded by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law) and appropriations of fund balances. These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the aggregate 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, 2025. 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 budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as part of assigned fund balance, unless classified as restricted, 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 Capital project fund had a deficit fund balance of \$16,537,015. This will be funded when the District obtains permanent financing for its current construction project.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 4 – Cash and Cash Equivalents

Total financial institution bank balances at year-end, per the bank, were \$15,452,416. These deposits are insured or collateralized with securities held by the financial institution 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 \$2,308,909 restricted for various fund balance reserves in the general fund, \$18,153 restricted for special aid funds, \$4,549,256 restricted for capital projects and \$3,944,223 restricted for repayment of long-term bonds in the debt service fund.

Deposits are valued at cost or cost plus interest and are categorized as either (1) insured, or for which the securities are held by the District's agent in the District's name, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the District's name, or (3) uncollateralized. At June 30, 2025 all deposits were fully insured and collateralized by the District's agent in the District's name.

The District follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with Federal, State and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Business Administrator of the District.

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The District's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts.
- Certificates of deposit.
- Obligations of the United States Treasury and United States agencies.
- Obligations of New York State and its localities.

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the District's investment and deposit policy, all deposits of the District including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits. The District restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.
- Obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 4 – Cash and Cash Equivalents (continued)

External Investment Pool: The District participates in an external investment pool, the New York Cooperative Liquid Assets Securities System (NYCLASS). NYCLASS was established in September 1989, as a cooperative investment arrangement organized under the NYCLASS Municipal Cooperation Agreement made pursuant to New York General Municipal Law, Article 3A and 5-G. NYCLASS is available for investment by any New York State Municipal Corporation or District. NYCLASS operates like a money market mutual fund with shares valued at \$1.00. NYCLASS is administered by an elected governing board of up to fifteen members. A board member must be either a participant's chief fiscal officer, other designated officer, or employee of the participant who has knowledge and expertise in financial matters. The board invests cooperative funds only in securities that are legal for public funds investment in New York.

The board limits these investments to repurchase agreements collateralized 102% with U.S. Treasury securities and agency securities backed by the full faith and credit of the U.S. Government, U.S. Treasury bills and notes, obligations of the State of New York, collateralized bank deposits, and other U.S. government guaranteed obligations. NYCLASS measures its investments at fair value in accordance with GASB standards.

NYCLASS reports the amortized cost of investments to participants, which approximates fair value. NYCLASS is rated by S&P Global Ratings and the current rating is AAAM, whereby AAAM is defined as extremely strong capacity to maintain principal stability and limit exposure to principal losses due to credit market and/or liquidity risks. As of June 30, 2025, the District's investment in NYCLASS totaled \$2,936,152 (\$2,380,612 in the general fund and \$555,539 debt service fund) which are included in cash and cash equivalents. Financial statements, independently audited, of NYCLASS are available from NYCLASS at www.newyorkclass.org

Note 5 – Interfund Transactions – Governmental Funds

Interfund transactions and balances are as follows:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	\$ 704,673	\$ 1,406,769	\$ 96,217	\$ 122,290
Special Aid Fund	-	641,045	22,290	-
School Lunch Fund	417,358	63,627	-	-
Debt Service Fund	27,661	-	-	-
Capital Projects Fund	961,749	-	100,000	96,217
Total government activities	<u>\$ 2,111,441</u>	<u>\$ 2,111,441</u>	<u>\$ 218,507</u>	<u>\$ 218,507</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.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 5 – Interfund Transactions – Governmental Funds (continued)

During 2024-25, the general fund transferred \$22,290 to the special aid fund for the District's share of the special education summer school programs its students attended. The general fund also made a transfer of \$100,000 to the capital project fund to cover the cost of certain emergency capital expenditures. The capital project fund made a transfer of \$96,217 to the general fund for current year premiums on BANs issued.

Note 6 - Capital Assets

Capital asset balances and activity were as follows:

	Beginning Balance	Additions	Deletions/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 1,233,554	\$ -	\$ -	\$ 1,233,554
Construction in progress	2,812,072	12,783,943	-	15,596,015
Total nondepreciable	4,045,626	12,783,943	-	16,829,569
Capital assets that are depreciated:				
Buildings	70,242,202	100,000	-	70,342,202
Furniture and equipment	42,796,315	736,725	(791,457)	42,741,583
Total depreciable assets	113,038,517	836,725	(791,457)	113,083,785
Less accumulated depreciation:				
Buildings	(40,078,967)	(1,819,111)	-	(41,898,078)
Furniture and equipment	(11,954,637)	(911,710)	739,646	(12,126,701)
Total accumulated depreciation	(52,033,604)	(2,730,821)	739,646	(54,024,779)
Total depreciated assets, net	<u>\$ 65,050,539</u>	<u>\$ 10,889,847</u>	<u>\$ (51,811)</u>	<u>\$ 75,888,575</u>

Depreciation expense was charged to governmental functions as follows:

General support	\$ 1,507,856
Instruction	1,047,770
Pupil transportation	173,797
School lunch program	1,398
	<u>\$ 2,730,821</u>

CHITTENANGO CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 7 – Short-Term Debt

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

	Beginning Balance	Issued	Redeemed	Ending Balance
BAN maturing 7/12/2024 at 4.07%	\$ 1,519,429	\$ -	\$ 1,519,429	\$ -
BAN maturing 7/11/2025 at 4.50%	-	1,663,382	-	1,663,382
BAN maturing 7/11/2025 at 4.50%	-	17,500,000	-	17,500,000
	<u>\$ 1,519,429</u>	<u>\$ 19,163,382</u>	<u>\$ 1,519,429</u>	<u>\$ 19,163,382</u>

Interest incurred on short-term debt for the year is summarized below:

Interest paid	\$ 61,669
Less interest accrued in the prior year	(61,669)
Plus interest accrued in the current year	862,353
Total expense	<u>\$ 862,353</u>

Note 8 - Long-Term Obligations

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

The School District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the local government. The provisions will be in the General Fund's future budgets for capital indebtedness.

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

	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year
Governmental activities					
Bonds payable	\$ 18,329,381	\$ -	\$ 1,526,144	\$ 16,803,237	\$ 1,286,144
Long term finance type lease obligation	994,704	-	186,357	808,347	192,506
Other obligations					
Other postemployment benefits payable	98,277,943	6,323,252	35,741,903	68,859,292	-
Net pension liability	3,673,809	-	408,191	3,265,618	-
Workers compensation	108,356	43,810	-	152,166	-
Compensated absences	234,247	18,353	-	252,600	-
Total long-term obligations	<u>\$ 121,618,440</u>	<u>\$ 6,385,415</u>	<u>\$ 37,862,595</u>	<u>\$ 90,141,260</u>	<u>\$ 1,478,650</u>

CHITTENANGO CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 8 - Long-Term Obligations (continued)

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

The following is a schedule of bonds outstanding at June 30, 2025:

<u>Payable from/ Description</u>	<u>Date of Original Issue</u>	<u>Original Amount</u>	<u>Date of Final Maturity</u>	<u>Interest Rate (%)</u>	<u>Outstanding Amount</u>
Serial Bonds	6/15/2016	\$ 8,650,000	6/15/2044	2.00-5.00%	\$ 5,735,000
Serial Bonds-Premium	6/15/2016	\$ 1,336,955	6/15/2044	NA	935,869
Serial Bonds-Premium	6/16/2021	\$ 2,423,684	6/15/2036	NA	1,777,368
Serial Bonds	6/16/2021	\$10,670,000	6/15/2036	4.00-5.00%	8,355,000
					<u>\$ 16,803,237</u>

Effective June 15, 2016, the District issued serial bonds of \$8,650,000. This issuance resulted in a premium in the amount of \$1,336,955 to be amortized over the period through 2044. At June 30, 2025, \$935,869 remains to be amortized.

Effective June 16, 2021, the District issued serial bonds of \$10,670,000. This issuance resulted in a premium in the amount of \$2,423,684 to be amortized over the period through 2036. At June 30, 2025, \$1,777,368 remains to be amortized.

The District entered into a finance type lease for improvements to implement energy cost-saving techniques. The lease is for a 15-year period of time and requires annual principal and interest payments of approximately \$224,000, beginning on January 1, 2015. At June 30, 2025, the net book value of assets under this lease approximated \$788,100. At June 30, 2025, \$808,347 of the finance type lease obligation remains to be paid.

The following is a schedule of finance type lease obligations outstanding at June 30, 2025:

<u>Payable from/ Description</u>	<u>Date of Original Issue</u>	<u>Original Amount</u>	<u>Date of Final Maturity</u>	<u>Interest Rate (%)</u>	<u>Outstanding Amount</u>
Finance type lease obligation	1/24/2014	\$ 2,627,000	1/1/2029	3.30%	\$ 808,347

CHITTENANGO CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 8 - Long-Term Obligations (continued)

The following is a summary of the maturity of long-term indebtedness:

Fiscal year ended June 30,	Principal	Premium	Interest	Total
2026	\$ 1,272,506	\$ 206,144	\$ 664,847	\$ 2,143,497
2027	1,328,859	206,144	608,794	2,143,797
2028	1,395,421	206,144	545,732	2,147,297
2029	1,461,561	206,144	479,453	2,147,158
2030	1,305,000	206,144	409,950	1,921,094
2031-35	5,760,000	1,030,721	1,165,450	7,956,171
2036-40	1,280,000	384,405	282,000	1,946,405
2041-45	1,095,000	267,391	83,400	1,445,791
Totals	<u>\$ 14,898,347</u>	<u>\$ 2,713,237</u>	<u>\$ 4,239,626</u>	<u>\$ 21,851,210</u>

Interest incurred on long-term debt for the year is summarized below:

Interest paid	\$ 730,646
Less interest accrued in the prior year	(50,856)
Plus interest accrued in the current year	45,506
Total expense	<u>\$ 725,296</u>

Note 9 – Pension obligations

The District participates in the New York State Teachers' Retirement System (TRS) and the New York State and Local Employees' Retirement System (ERS). These are cost-sharing multiple employer, defined benefit, public employee retirement systems. The Systems provide retirement, disability, withdrawal, and death benefits to plan members and beneficiaries related to years of service and final average salary.

Plan Descriptions and Benefits Provided

Teachers' Retirement System (TRS):

The TRS is administered by the New York State Teachers' Retirement Board. The TRS 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 (NYSRSSL). Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in the TRS. Once a public employer elects to participate in the TRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship, and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a state statute. The New York State TRS issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report and additional information 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 NYSTRS Comprehensive Annual Financial report, which can be found on the System's website at www.nystrs.org.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 9 – Pension Obligations (continued)

Plan Descriptions and Benefits Provided (continued)

Employees' Retirement System (ERS):

Obligations of employers and employees to contribute and benefits to employees are governed by the NYSRSSL. The net position of the ERS 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 ERS. As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as the trustee of the Fund and is the administrative head of the ERS. Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship, and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a state statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The ERS is included in the state's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, NY 12244.

Plan members who joined the system before July 27, 1976, are not required to make contributions. Those joining on or after July 27, 1976 and before January 1, 2010, with less than ten years of credited services are required to contribute 3% of their salary. Those joining on or after January 1, 2010 and before April 1, 2012, are required to contribute 3% of their salary to ERS or 3.5% of their salary to TRS throughout active membership. Those joining on or after April 1, 2012, are required to contribute between 3% and 6% dependent on their salary throughout active membership. Employers are required to contribute at an actuarially determined rate based on covered salaries paid. For the TRS, the employers' contribution rate is established annually by the New York State Teachers' Retirement Board for the TRS' fiscal year ended June 30th, and employer and employee contributions are deducted from state aid in the subsequent months of September, October, and November, with the balance to be paid by the District, if necessary. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31st, and employer contributions are either paid by the prior December 15th less a 1% discount or by the prior February 1st. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year.

	NYSTRS	NYSERS
2024-2025	\$ 1,728,743	\$ 1,035,267
2023-2024	1,708,507	881,184
2022-2023	1,551,326	707,203

The District's share of the required contributions, based on covered payroll for the District's year ended June 30, 2025 was \$1,728,743 for the TRS at the contribution rate of 10.11% and \$1,035,267 for the ERS at an average contribution rate of 13.86%. ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57 and 105.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 9 – Pension Obligations (continued)

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

At June 30, 2025, the District reported the following asset/ (liability) for its proportionate share of the net pension asset / (liability) for each of the systems. The net pension asset/ (liability) was measured as of March 31, 2025 for ERS and June 30, 2024 for TRS. The total pension asset/ (liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/ (liability) was based on a projection of the District's long-term share of contributions to the systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS systems in reports provided to the District.

	ERS	TRS
Measurement date	3/31/2025	6/30/2024
District's proportionate share of the net pension asset/ (liability)	(\$3,265,618)	\$ 2,508,296
District's portion of the Plan's net pension asset/ (liability)	0.0190463%	0.084069%
Change in proportion since the prior measurement date	(\$541,438)	\$3,457,925

For the year ended June 30, 2025, the District recognized its proportionate share of pension expense of \$847,008 for ERS and the actuarial value \$1,332,523 for TRS. At June 30, 2025, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflow of resources		Deferred inflow of resources	
	TRS	ERS	TRS	ERS
Differences between expected and actual experience	\$ 2,700,975	\$ 810,548	\$ -	\$ 38,234
Changes of assumption	1,500,470	136,954	252,393	-
Net difference between projected and actual earnings on pension plan investments	-	256,211	2,786,931	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	11,603	290,464	151,174	2,603
District's contribution subsequent to the measurement date	1,728,743	-	-	-
Total	<u>\$5,941,791</u>	<u>\$1,494,177</u>	<u>\$ 3,190,498</u>	<u>\$ 40,837</u>

CHITTENANGO CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 9 – Pension Obligations (continued)

District contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension asset/ (liability) in the year ending March 31, 2026 for ERS and June 30, 2025 for TRS. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follow:

Year ended:	ERS	TRS
2025	\$ -	\$ (1,335,132)
2026	671,985	3,041,226
2027	927,890	(536,979)
2028	(212,155)	(585,500)
2029	65,620	317,278
Thereafter	-	121,657
	<u>\$ 1,453,340</u>	<u>\$ 1,022,550</u>

Actuarial Assumptions

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

	ERS	TRS
Measurement date	March 31, 2025	June 30, 2024
Actuarial valuation date	April 1, 2024	June 30, 2023
Inflation	2.90%	2.40%
Salary increases	4.30%	1.95%-5.18%
Investment rate of return (net of) investment expenses, including inflation	5.90%	6.95%
Cost of living adjustments	1.50%	1.30%

For ERS, annuitant mortality rates are based on FY 2016-2020 system's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021. For TRS, annuitant mortality rates are based on plan member experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 9 – Pension Obligations (continued)

Actuarial Assumptions (continued)

For ERS, the actuarial assumptions were based on the results of an actuarial experience study for the period April 1, 2020. For TRS, assumptions were computed by the TRS' Office of the Actuary and adopted by the TRS' Retirement Board in October, 2021. The actuarial assumptions are based upon recent TRS member experience. Detailed assumption information may be found in the TRS' annual Actuarial Valuation Report.

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

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

Asset Type	ERS		TRS	
	Target	Long-term expected	Target	Long-term expected
	Allocation	Real rate of return	Allocation	Real rate of return
	2025	2025	2024	2024
Domestic equity	25.00%	3.54%	33.00%	6.60%
International equity	14.00%	6.57%	15.00%	7.40%
Global equity	0.00%	0.00%	4.00%	6.90%
Real estate equity	12.00%	4.95%	11.00%	6.30%
Private equity	15.00%	7.25%	9.00%	10.00%
Domestic fixed income	22.00%	2.00%	16.00%	2.60%
Opportunistic/ARS	3.00%	5.25%	0.00%	0.00%
Credit	4.00%	5.40%	0.00%	0.00%
Real assets	4.00%	5.55%	0.00%	0.00%
Global bonds	0.00%	0.00%	2.00%	2.50%
Private debt	0.00%	0.00%	2.00%	5.90%
Real estate debt	0.00%	0.00%	6.00%	3.90%
High-yield bonds	0.00%	0.00%	1.00%	4.80%
Cash equivalents	1.00%	0.25%	1.00%	0.50%
	<u>100.00%</u>		<u>100.00%</u>	

The real rate of return are net of the long-term inflation assumption of 2.9% for ERS and 2.4% for TRS.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 9 – Pension Obligations (continued)

Discount Rate

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

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

The following presents the District's proportionate share of the net pension asset/(liability) as of June 30, 2025 calculated using the discount rate of 5.90% for ERS and 6.95% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage point lower (4.90% for ERS and 5.95% for TRS) or 1-percentage point higher (6.90% for ERS and 7.95% for TRS) than the current rate:

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
District's proportionate share of the net pension asset (liability)	<u>\$ (9,451,110)</u>	<u>\$ (3,265,618)</u>	<u>\$ 1,899,272</u>
TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
District's proportionate share of the net pension asset (liability)	<u>\$ (11,585,966)</u>	<u>\$ 2,508,296</u>	<u>\$ 14,361,949</u>

Changes of Assumptions

Changes of assumptions about future economic or demographic factors or other inputs are amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 9 – Pension Obligations (continued)

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the system's fiscal year, which ends on March 31st. Accrued retirement contributions as of June 30, 2025 represent the projected employer contribution for the period of April 1, 2025 through June 30, 2025 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2025 amounted to \$351,008 of employer contributions. Employee contributions are remitted monthly.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2025 are paid to the system in September, October and November 2025 through a state aid intercept. Accrued retirement contributions as of June 30, 2025 represent employee and employer contributions for the fiscal year ended June 30, 2025 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. Accrued retirement contributions as of June 30, 2025 amounted to \$1,676,063 of employer contributions and \$195,339 of employee contributions.

Note 10 – Postemployment benefit obligations payable

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

Funding Policy- The obligation of the Plan members and employers are established by action of the District pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreement. Employees are required to reach age 55 and have 3 to 15 years of service to qualify for other post-employment benefits. The District currently funds the Plan to satisfy current obligations on a pay-as-you-go basis. During the year ended June 30, 2025, approximately \$3,446,000 was paid on behalf of 333 retirees, beneficiaries and spouses of retirees.

Benefits Provided- The District provides for continuation of medical and/or Medicare Part B benefits for certain retirees and their spouses. The benefit terms are dependent on which contract each employee falls under, retirees and their spouses receive benefits for the lifetime of the retired employee. The specifics of each contract are on file at the District offices and are available upon request.

Employees Covered by Benefit Terms – At June 30, 2025 the following employees were covered by the benefit terms:

Retirees, spouses, and beneficiaries	333
Active employees	354
	<u>687</u>

CHITTENANGO CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 10 – Post-Employment Benefit Obligations Payable (continued)

The District's total OPEB liability of \$68,859,292 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2024. Update procedures were used to roll forward the total OPEB liability to the measurement date.

Actuarial Assumptions and Other Inputs- The total OPEB liability in the June 30, 2025 financial reporting valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.4% (Based on CPI)
Salary Increases	Varied by years of service and retirement system
Discount Rate	5.2% (Bond Buyer GO 20-Bond Municipal Bond Index)
Healthcare Cost Trend Rates	3.8% to 7.3% over 50 years

Mortality rates were based on PubT-2010 Headcount-Weighted mortality Table for Teaching Positions and PubG-2010 Headcount-Weighted Mortality Table for Non-Teaching positions, bother generationally projected using the MP-2021 Ultimate Scale, with employee rates before commencement and healthy annuitant rates after benefit commencement.

Retirement participation rate assumed that 85% of eligible Teachers and Instructional Administrators and 75% of participants other than Teachers and Instructional Administrators will elect medical coverage at retirement age, and 48% of active member's spouses will elect medical coverage. Additionally, a tiered approach based on age and years of service was used to determine retirement rate assumption.

Termination rates are based on tables used by the New York State Teachers' Retirement System and the New York State and Local Retirement System for female employees. Rates are tiered based on the percentage of employees who will terminate employment at any given age each year, for reasons other than death or retirement.

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

Changes in the District's net OPEB liability were as follows:

Balance at June 30, 2024	<u>\$ 98,277,943</u>
<u>Changes for the Year</u>	
Service cost	2,424,391
Interest	3,898,861
Effect of demographic gains or losses	(20,457,731)
Effects of assumptions changes or inputs	(12,265,742)
Benefit payments	<u>(3,018,430)</u>
Net Changes	<u>(29,418,651)</u>
Balance at June 30, 2025	<u><u>\$ 68,859,292</u></u>

CHITTENANGO CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 10 – Post-Employment Benefit Obligations Payable (continued)

Changes in assumptions and other inputs reflect a change in the discount rate from 3.93% in 2024 to 5.20% in 2025. In addition, a change in actuarial methodology to reflect a cost share based on actual premiums versus an integrated premium that is used to develop underlying gross claims.

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

Change in Discount Rate

	<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 78,624,883</u>	<u>\$ 68,859,292</u>	<u>\$ 60,856,750</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend 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 healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

Healthcare

	<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability	<u>\$ 59,683,885</u>	<u>\$ 68,859,292</u>	<u>\$ 80,312,659</u>

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

For the year ended June 30, 2025, the District recognized OPEB expense of \$(4,822,342). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,731,622	\$ (19,324,391)
Effect of assumption changes or inputs	1,804,912	(27,175,217)
	<u>\$ 4,536,534</u>	<u>\$ (46,499,608)</u>

CHITTENANGO CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 10 – Post-Employment Benefit Obligations Payable (continued)

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

<u>Year Ended June 30,</u>	<u>Amount</u>
2026	\$ (9,267,047)
2027	(10,264,226)
2028	(7,653,804)
2029	(5,557,198)
2030	(4,952,524)
Thereafter	<u>(4,268,275)</u>
	<u>\$ (41,963,074)</u>

Note 11 – Rental of District Property

The District leases property to a local school district and other individuals through short-term lease agreements. Total rental income for the 2025 fiscal year approximated \$17,000 and is included within use of money and property revenue on the Statement of Activities and Changes in Net Position.

Note 12 – Unrestricted Net Position

Unrestricted net position in the general fund at June 30, 2025 is comprised of \$246,032 reserved for encumbrances, \$175,727 committed for extraclassroom activities, and \$115,099 in unassigned fund balance.

Note 13 – Risk Management

The District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. 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.

Workers' Compensation: The District incurs costs related to the Onondaga-Cortland-Madison BOCES Workers' Compensation Plan (Plan) sponsored by the Board of Cooperative Educational Services. The Plan's objectives are to furnish workers' compensation benefits to participating districts at a significant cost savings. Membership in the Plan may be offered to any component district of the BOCES with the approval of the Board of Directors. Voluntary withdrawal from the Plan may be effective only once annually on the last day of the Plan year as may be established by the Board of Directors. Notice of the Intention to Withdrawal must be given in writing to the Chairman of the Board of Directors and the Treasurer not less than one year prior to the end of the Plan year.

Plan membership is currently comprised of thirty-one districts. If a surplus of participants' assessments exists after the close of a Plan year, the Board may retain from such surplus an amount sufficient to establish and maintain a claim contingency fund. Surplus funds in excess of the amount transferred to or included in such contingency fund shall be applied in reduction of the next annual assessment or to the billing of Plan participants.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 13 – Risk Management (continued)

All monies paid to the Treasurer by participants shall be commingled and administered as a common fund. No refunds shall be made to a participant and no assessments shall be charged to a participant other than the annual assessment.

However, if it appears to the Board of Directors that the liabilities of the Plan will exceed its cash assets, after taking into account any “excess insurance”, the Board shall determine the amount needed to meet such deficiency and shall assess such amount against all participants pro-rata per enrollee. The Plan purchases, on an annual basis, stop-loss insurance to limit its exposure for claims paid. 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 claims costs depend on complex factors, the process used in computing claims 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 claims liabilities are charged or credited to expenses in the periods in which they are made. During the year ended June 30, 2025, the District incurred premiums or contribution expenditures totaling \$228,581. The Plan is audited on an annual basis and is available at the BOCES administrative offices. The most recent audit available for the year ended June 30, 2025. The District's outstanding case reserves at June 30, 2025 approximated \$152,166.

Health Insurance: The District incurs costs related to an employee health insurance plan (plan). The plan objectives are to formulate, develop and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Districts joining the plan must remain a member for a minimum of five years; a member may withdraw from the plan after that time by providing written intent to withdraw on or before January 1st of the commencement of the school year for which the withdrawal is intended to be effective. In the event of a withdrawal, the consortium may determine any sums which are due and owed to the plan or participant. The Cooperative Health Insurance Fund of Central New York consortium has twenty-eight (28) members with each bearing a pro-rata share of the plan's assets and claims liabilities. Plan members are subject to a pro-rata supplemental assessment in the event of deficiencies.

If the plan's assets were to be exhausted, members would be responsible for the plan's liabilities. The plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the plan as direct insurer of the risks reinsured. All plan cash accounts are collateralized by securities held by the financial institution where deposits are made. 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 claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount.

Such claims are based on the ultimate cost of the 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. The District incurred premiums totaling approximately \$5,144,000 for the current year. Payments of claims and claim adjustment expenses are pooled for the group and each member's premiums are adjusted accordingly.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 14 – Donor Restricted Endowments

The District administers endowment funds, which are restricted by the donor for the purposes of student scholarships. The District authorizes expenditures from donor-restricted endowments in compliance with the wishes expressed by the donor, which varies among the unique endowments administered by the District. Such endowments are recorded within the General Fund, in accordance with GASB 84.

Note 15 – Commitments and Contingent Liabilities

The District has received grants, which are subject to audit by agencies of the State and Federal governments. Such audits may result in disallowances and a request for a return of funds. Based on prior years' experience, the District's administration believes disallowances, if any, will be immaterial. New York State Education Law requires that most capital projects require approval by the New York Office of Facilities Planning. New York State provides building aid for certain type of capital projects undertaken by school districts. Building aid is subject to numerous reporting requirements. The failure to adhere to these reporting requirements could lead to the refund of building aid already received and the loss of future aid on these particular capital projects. Building aid represents a significant source of financing for the Districts' financing of such projects and any loss or refund of building aid could have a significant impact on these financial statements.

Several tax certiorari actions are pending against the District for reductions in the assessment value of various properties. Management believes that the likelihood of a reduction is probable. Provisions for losses for those cases are recorded as long-term liabilities. The District plans on funding any settlements from the Tax Certiorari Reserve, and/or future appropriations. The majority of the District's employees are covered by several collective bargaining units. These agreements have various expiration dates in the near future. The District funds to these agreements through future appropriations.

Note 16 – Subsequent Events

Management has evaluated subsequent events through October 7, 2025, which is the date the financial statements were available to be issued. On July 10, 2025, the District received BAN proceeds of \$1,697,169 at 4.25% to finance the purchase of buses, and \$21,500,000 at 4.0% to finance reconstruction and improvements to various District buildings and facilities. There were no other material subsequent events through October 7, 2025, which is the date the financial statements were available to be issued.

Chittenango Central School District
Required Supplementary Information
Schedule of Changes in the District's Total OPEB
Liability and Related Ratios
For the Fiscal Years Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018
Measurement date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB liability	\$ 68,859,292	\$ 98,277,943	\$ 98,161,354	\$ 94,360,816	\$ 114,934,322	\$ 113,745,661	\$ 91,038,644	\$ 110,271,244
Service cost	2,424,391	3,600,166	3,847,291	5,328,161	5,390,335	3,909,181	4,903,309	4,478,942
Interest	3,898,861	3,664,765	3,430,974	2,573,600	2,609,410	3,286,546	3,425,550	3,243,129
Effect of demographic gains or losses	(20,457,731)	-	4,809,059	-	(6,192,374)	-	833,720	70,201
Changes in assumptions or other inputs	(12,265,742)	(4,409,847)	(5,688,328)	(26,234,603)	1,519,196	17,622,459	(26,401,364)	-
Benefit payments	<u>(3,018,430)</u>	<u>(2,738,495)</u>	<u>(2,598,458)</u>	<u>(2,240,664)</u>	<u>(2,137,906)</u>	<u>(2,111,169)</u>	<u>(1,993,815)</u>	<u>(2,275,958)</u>
Net change in total OPEB liability	(29,418,651)	116,589	3,800,538	(20,573,506)	1,188,661	22,707,017	(19,232,600)	5,516,314
Total OPEB liability- beginning	<u>98,277,943</u>	<u>98,161,354</u>	<u>94,360,816</u>	<u>114,934,322</u>	<u>113,745,661</u>	<u>91,038,644</u>	<u>110,271,244</u>	<u>104,754,930</u>
Total OPEB liability- ending	<u>\$ 68,859,292</u>	<u>\$ 98,277,943</u>	<u>\$ 98,161,354</u>	<u>\$ 94,360,816</u>	<u>\$ 114,934,322</u>	<u>\$ 113,745,661</u>	<u>\$ 91,038,644</u>	<u>\$ 110,271,244</u>
Covered payroll	\$ 20,624,022	\$ 19,163,213	\$ 19,163,213	\$ 18,474,069	\$ 18,474,069	\$ 17,178,142	\$ 17,178,142	\$ 16,661,982
Total OPEB liability as a percentage of covered payroll	333.88%	512.85%	512.24%	510.77%	622.14%	662.15%	529.97%	661.81%

Note:

The District does not have net assets accumulated in a trust that meets certain criteria in paragraph 4 of GASB Statement No. 75 to pay OPEB liabilities.

The District currently contributes enough money to the plan to satisfy current obligations on a pay-as-you go basis.

See paragraph on supplementary schedules included in the auditor's report.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Required Supplementary Information - Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - General Fund
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-End Encumbrances	Final Budget Variance with Budgetary Actual
REVENUES					
Local sources					
Real property taxes	\$ 20,413,331	\$ 18,316,607	\$ 18,328,028	\$ -	\$ 11,421
Other tax items	87,000	2,183,724	2,190,156	-	6,432
Charges for services	75,500	75,500	40,052	-	(35,448)
Use of money and property	420,000	420,000	451,252	-	31,252
Sale of property and compensation for loss	25,000	25,000	130,500	-	105,500
Miscellaneous	520,000	520,000	719,268	-	199,268
Total local sources	21,540,831	21,540,831	21,859,256	-	318,425
State sources	23,269,956	23,269,956	23,808,310	-	538,354
Medicaid	360,000	360,000	268,945	-	(91,055)
Total revenues	45,170,787	45,170,787	45,936,511	-	765,724
OTHER FINANCING SOURCES					
Transfer from other funds	-	-	96,217	-	96,217
Appropriated reserves	2,763,353	2,763,353	-	-	(2,763,353)
Total revenues and other sources	47,934,140	47,934,140	46,032,728	-	(1,901,412)
EXPENDITURES					
General support					
Board of education	36,900	34,093	33,282	-	811
Central administration	262,599	265,046	262,725	-	2,321
Finance	597,194	586,641	528,084	23,116	35,441
Staff	125,498	138,902	136,438	1,113	1,351
Central services	3,231,414	3,030,088	2,916,443	36,214	77,431
Special items	339,133	340,582	340,582	-	-
Total general support	4,592,738	4,395,352	4,217,554	60,443	117,355
Instruction					
Instruction, administration and improvement	1,523,478	1,532,334	1,619,813	6,598	(94,077)
Teaching - regular school	11,588,639	12,127,768	11,913,230	168,727	45,811
Programs for students with disabilities	4,822,767	4,820,774	4,762,567	-	58,207
Occupational education	971,257	1,084,802	1,084,802	-	-
Teaching - special schools	1,500	47,884	46,384	-	1,500
Instructional media	1,279,246	1,312,248	1,298,658	2,708	10,882
Pupil services	2,420,189	2,357,942	2,312,632	5,263	40,047
Total instruction	22,607,076	23,283,752	23,038,086	183,296	62,370
Pupil transportation	3,035,572	3,009,836	3,009,796	945	(905)
Employee benefits	14,363,965	13,656,131	13,673,614	1,348	(18,831)
Debt service	3,204,039	3,547,568	3,638,785	-	(91,217)
Total expenditures	47,803,390	47,892,639	47,577,835	246,032	68,772
OTHER FINANCING USES					
Transfer to other funds	130,750	100,054	122,290	-	(22,236)
Total expenditures and other uses	\$ 47,934,140	\$ 47,992,693	\$ 47,700,125	\$ 246,032	\$ 46,536
Net change in fund balance			(1,667,397)		
Fund balance - beginning			6,710,151		
Fund balance - ending			\$ 5,042,754		

Note To Required Supplementary Information

Budget Basis of Accounting

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

See paragraph on supplementary schedules included in the auditor's report.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Schedule of District Contributions
For the Fiscal Years Ended June 30

Teachers' Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 1,728,743	\$ 1,708,507	\$ 1,551,326	\$ 1,393,495	\$ 1,307,409	\$ 1,189,944	\$ 1,413,755	\$ 1,330,010	\$ 1,529,585	\$ 1,658,534
Contributions in relation to the contractually required contribution	<u>1,728,743</u>	<u>1,708,507</u>	<u>1,551,326</u>	<u>1,393,495</u>	<u>1,307,409</u>	<u>1,189,944</u>	<u>1,413,755</u>	<u>1,330,010</u>	<u>1,529,585</u>	<u>1,658,534</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 17,099,337	\$ 17,505,195	\$ 15,076,054	\$ 14,219,337	\$ 13,718,877	\$ 13,430,519	\$ 13,312,194	\$ 13,571,531	\$ 12,393,677	\$ 12,024,412
Contributions as a percentage of covered payroll	10%	10%	10%	10%	10%	9%	11%	10%	12%	14%

Employees' Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 1,035,267	\$ 881,184	\$ 707,203	\$ 822,803	\$ 872,826	\$ 814,441	\$ 803,545	\$ 832,495	\$ 752,026	\$ 895,014
Contributions in relation to the contractually required contribution	<u>1,035,267</u>	<u>881,184</u>	<u>707,203</u>	<u>822,803</u>	<u>872,826</u>	<u>814,441</u>	<u>803,545</u>	<u>832,495</u>	<u>752,026</u>	<u>895,014</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 7,471,487	\$ 6,726,595	\$ 6,096,578	\$ 4,254,732	\$ 4,755,192	\$ 3,747,623	\$ 3,865,948	\$ 3,090,451	\$ 3,434,538	\$ 3,803,803
Contributions as a percentage of covered payroll	14%	13%	12%	19%	18%	22%	21%	27%	22%	24%

See paragraph on supplementary schedules included in auditor's report.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Schedule of District's Proportionate Share of the Net Pension Asset (Liability)
For the Fiscal Years Ended June 30

	<i>Teachers' Retirement System</i>									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension asset (liability)	0.084069%	0.083040%	0.083004%	0.080827%	0.079158%	0.079835%	0.078459%	0.078210%	0.079491%	0.079455%
District's proportionate share of the net pension asset (liability)	\$ 2,508,296	\$ (949,629)	\$ (1,592,761)	\$ 14,006,487	\$ (2,187,339)	\$ 2,074,113	\$ 1,418,743	\$ 594,470	\$ (835,233)	\$ 9,851,043
District's covered payroll	\$ 17,099,337	\$ 17,505,195	\$ 15,076,054	\$ 14,219,337	\$ 13,718,877	\$ 13,430,519	\$ 13,312,194	\$ 13,571,531	\$ 12,393,677	\$ 12,024,412
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	14.67%	-5.42%	-10.56%	98.50%	-15.94%	15.44%	10.66%	4.38%	-6.74%	81.93%
Plan fiduciary net position as a percentage of the total pension asset or liability	102.10%	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%
	<i>Employees' Retirement System</i>									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension asset (liability)	0.0190463%	0.0185016%	0.0181582%	0.0170350%	0.0171717%	0.0174177%	0.0178063%	0.0180888%	0.0176555%	0.0182123%
District's proportionate share of the net pension asset (liability)	(\$3,265,618)	\$ (2,724,180)	\$ (3,893,859)	\$ 1,392,545	\$ (17,099)	\$ (4,612,310)	\$ (1,261,630)	\$ (583,806)	\$ (1,658,947)	\$ (2,923,123)
District's covered payroll	\$ 7,471,487	\$ 6,726,595	\$ 6,096,578	\$ 4,254,732	\$ 4,755,192	\$ 3,747,623	\$ 3,865,948	\$ 3,090,451	\$ 3,434,538	\$ 3,803,803
District's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	43.71%	40.50%	63.87%	-32.73%	0.36%	123.07%	32.63%	18.89%	48.30%	76.85%
Plan fiduciary net position as a percentage of the total pension liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

See paragraph on supplementary schedules included in auditor's report.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Schedules of Change from Adopted Budget to Final Budget
and the Real Property Tax Limit - General Fund
For the Year Ended June 30, 2025

CHANGE FROM ADOPTED TO REVISED BUDGET

Adopted budget	\$ 47,934,140
Add prior year's encumbrances	<u>57,268</u>
Original budget	47,991,408
Budget revision:	<u>1,285</u>
Revised budget	<u><u>\$ 47,992,693</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2025-26 voter-approved expenditure budget maximum allowed (4% of 2025-26 budget)	\$ 51,090,929
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General fund fund balance subject to Section 1318 of Real Property Tax Law*:

Unrestricted fund balance:

Assigned fund balance	2,443,019
Committed fund balance	175,727
Unassigned fund balance	<u>115,099</u>
Total unrestricted fund balance	<u>2,733,845</u>

Less:

Appropriated fund balance	2,196,987
Committed fund balance	175,727
Encumbrances included in committed and assigned fund balance	<u>246,032</u>
Total adjustments	<u>2,618,746</u>

General fund fund balance subject to Section 1318 of Real Property Tax Law	<u><u>\$ 115,099</u></u>
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Actual percentage	0.23%
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*Per Office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions", Updated April 2011 (Originally Issued November 2010), the portion of [General Fund] fund balance subject to Section 1318 of the Real Property Tax Law is: unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

See paragraph on supplementary schedules included in auditor's report.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Schedule of Project Expenditures - Capital Projects Fund
For the Year Ended June 30, 2025

	Original Budget	Revised Budget	Expenditures				Unexpended Balance	Methods of Financing				Fund Balance (Deficit) June 30, 2025
			Prior Years	Current Year	Transfers	Total		Proceeds of Obligations	State Aid	Local Sources	Total	
2022 Buses	\$ 372,882	\$ 372,882	\$ 372,805	\$ -	\$ -	\$ 372,805	\$ 77	\$ -	\$ -	\$ 297,805	\$ 297,805	\$ (75,000)
2023 Buses	666,365	666,065	632,250	-	-	632,250	33,815	-	-	256,064	256,064	(376,186)
2024 Buses	316,829	316,829	606,297	-	-	606,297	(289,468)	-	-	118,829	118,829	(487,468)
2025 Buses	683,382	683,382	-	597,395	-	597,395	85,987	-	-	-	-	(597,395)
Smart Schools Bond Act	1,475,388	1,475,388	1,548,513	-	-	1,548,513	(73,125)	-	1,188,007	288,697	1,476,704	(71,809)
2018 Capital Project	16,000,000	16,000,000	16,135,410	-	-	16,135,410	(135,410)	13,093,684	9,331	3,140,687	16,243,702	108,292
Phase II	21,882,500	21,882,500	2,806,255	12,783,941	-	15,590,196	6,292,304	-	-	669,894	669,894	(14,920,302)
Emergency Project- Excavating	-	-	120,228	-	-	120,228	(120,228)	-	-	-	-	(120,228)
Capital Outlay 18-19	100,000	87,441	87,740	-	-	87,740	(299)	-	-	87,441	87,441	(299)
Capital Outlay 21-22	100,000	100,000	96,620	-	-	96,620	3,380	-	-	100,000	100,000	3,380
Capital Outlay 24-25	100,000	100,000	-	100,000	-	100,000	-	-	-	-	-	(100,000)
Total projects	<u>\$ 41,697,346</u>	<u>\$ 41,684,487</u>	<u>\$ 22,406,118</u>	<u>\$ 13,481,336</u>	<u>\$ -</u>	<u>\$ 35,887,454</u>	<u>\$ 5,797,033</u>	<u>\$ 13,093,684</u>	<u>\$ 1,197,338</u>	<u>\$ 4,959,417</u>	<u>\$ 19,250,439</u>	<u>\$ (16,537,015)</u>

See paragraph on supplementary information included in auditor's report.

CHITTENANGO CENTRAL SCHOOL DISTRICT
Net Investment in Capital Assets
For the Year Ended June 30, 2025

		\$ 75,888,575
Deduct:		
Premium on bonds payable	(2,713,237)	
Bond anticipation notes payable	(19,163,382)	
Short-term portion of finance type lease obligation	(192,506)	
Short-term portion of bonds payable	(1,080,000)	
Long-term portion of bonds payable	(13,010,000)	
Long-term portion of finance type lease obligation	(615,841)	
	<u>(36,774,966)</u>	
Net investment in capital assets		<u>\$ 39,113,609</u>

See paragraph on supplementary schedules included in the auditor's report.



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

INDEPENDENT AUDITOR'S REPORT

Board of Education
Chittenango Central School District
Chittenango, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Chittenango Central School District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Chittenango Central School District's basic financial statements, and have issued our report thereon dated October 7, 2025.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of deficiencies as item 2025-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Chittenango Central School District's financial statements are free of 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*.

We noted certain matters that we have reported to management of Chittenango Central School District in a separate letter dated October 7, 2025.

Chittenango Central School District's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on Chittenango Central School District's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. Chittenango Central School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Grossman St Amour CPAs

Syracuse, New York
October 7, 2025

CHITTENANGO CENTRAL SCHOOL DISTRICT

Schedule of Deficiencies For the year ended June 30, 2025

2025-001 - Timely and Complete Reporting and Recordkeeping

Criteria: Complete and accurate financial records should be maintained in a timely fashion throughout the year in compliance with New York State Education and Office of the State Comptroller requirements. Adhering to such regulations supports District compliance and transparent financial management.

Condition: Financials records used by management and the board for decision-making purposes may not accurately reflect the true financial position and results of operations. Further, claims audit reports not provided to the board on a timely basis limit the board's ability to make informed decision-making and provide effective oversight.

Cause: Reconciliations and detailed fund basis review and oversight did not take place throughout the year under audit to identify adjustments in real time. Additionally, during the year the claims auditor reports were provided to the board over one month after the report month-end.

Effect: For the year under audit there were significant late adjustments proposed by management and audit adjustments, as a result of audit procedures. Such adjustments were to properly present fund statements, reconcile certain activities throughout the year and reconcile government-wide financial statements. Additionally, several journal entries were recorded by management during the year which caused scholarship fund balance to differ from the prior year audited financial statements. Monthly claims auditor reports were also not provided to the board timely throughout the year.

Recommendation: We recommend the District review policies and procedures to ensure timely reconciliation and review of fund statements and ensure staff have the proper training in fund accounting principles to perform their duties. Further, more regular review of detailed accounting transactions, balances and end of year government-wide statements and monthly reporting to the board should take place to allow for proper supervision and enable timely oversight.

Views of Responsible Official and Planned Corrective Actions: Management will continue with enhanced training and review as shifts in responsibilities and roles take place. Further a regular review of reconciliations with the general ledger will take place.