

**E**DWARDS KNOX CENTRAL  
SCHOOL DISTRICT

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*FINANCIAL STATEMENTS*

June 30, 2024



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## **INDEPENDENT AUDITOR'S REPORT**

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### **THE BOARD OF EDUCATION EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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

#### **Opinions**

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

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

#### **Basis for Opinions**

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Edwards-Knox 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 Edwards-Knox 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 the Management's Discussion and Analysis (pages 5-25), Schedule of Changes in the District's Total OPEB Liability and Related Ratios (page 87), Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund (pages 88-89), Schedule of the District's Proportionate Share of the Net Pension Asset (Liability) – NYSLRS Pension Plan (page 90), and Schedule of District's Contributions - NYSLRS Pension Plan (page 91) 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.

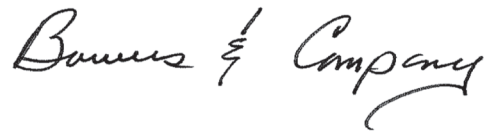
## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Edwards-Knox Central School District's basic financial statements. The Schedule of Change From Adopted Budget to Final Budget and the Real Property Tax Limit – General Fund, Schedule of Capital Projects Fund - Project Expenditures and Financing Resources, Combined Balance Sheet – Non-Major Governmental Funds, Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds, and Net Investment in Capital Assets (pages 92-98) and Schedule of Expenditures of Federal Awards (pages 105-106), as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, The Schedule of Change From Adopted Budget to Final Budget and the Real Property Tax Limit – General Fund, Schedule of Capital Projects Fund - Project Expenditures and Financing Resources, Combined Balance Sheet – Non-Major Governmental Funds, Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds, and Net Investment in Capital Assets (pages 92-98) and the Schedule of Expenditures of Federal Awards (pages 105-106) are 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 14, 2024 on our consideration of Edwards-Knox Central School District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Edwards-Knox 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 Edwards-Knox Central School District’s internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Bowers & Company". The signature is written in black ink and is positioned to the right of the date and location information.

Watertown, New York  
October 14, 2024



## EDWARDS-KNOX CENTRAL SCHOOL DISTRICT

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### MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024

#### INTRODUCTION

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Our discussion and analysis of the financial performance of Edwards-Knox Central School District (the District) provides an overview of the District's financial activities for the fiscal year ended June 30, 2024. It should be read in conjunction with the District's financial statements, which follow this section.

#### FINANCIAL HIGHLIGHTS

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- ❑ The District's net position was \$4,382,260 as of June 30, 2024. The District reported an decrease in net position of \$734,997 from the prior year net position of \$5,117,257. This decrease is mainly due to the increase in the OPEB liability of \$842,208.
- ❑ The District's General Fund balance decreased by \$168,641 during the current year. This is mostly due to an increase in general support, instruction, and other expenditures within the fund reported during the fiscal year.
- ❑ The first phase of the Capital Improvement Project, that was approved in late 2022, is expected to be complete by Fall 2024. Planning for the next phase of the project to be funded with any remaining funds will begin in 2024-25 school year.
- ❑ Throughout the 2023-2024 fiscal year, the District spent most of its remaining Federal Stimulus Funding allocation to continue supporting instructional and mental health programming as well as maintaining its relationship with the St. Lawrence County Sheriff's Department through its School Resource Deputy Contract. These Federal Stimulus funds are set to expire September 30, 2024. Most of the services and the activities supported by the Stimulus Funding were absorbed into the 2024-2025 General Budget.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024

OVERVIEW OF FINANCIAL STATEMENTS

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This annual report consists of three parts – management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The two sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- ❑ **District-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the District’s overall financial position.
- ❑ **Fund financial statements** focus on reporting the individual parts of the District operations in more detail. The fund financial statements comprise the remaining statements.
- ❑ **Governmental funds** statements tell how basic services such as regular 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.


**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2024

**OVERVIEW OF FINANCIAL STATEMENTS - Continued**

Table 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.

<b>Table A-1</b>	<b>Major Features of the District-Wide and Fund Financial Statement</b>		
		<b>Fund Financial Statements</b>	
	<b>District-Wide</b>	<b>Governmental Funds</b>	<b>Fiduciary Funds</b>
<b>Scope</b>	Entire District (except fiduciary funds)	The activities of the School District that are not fiduciary, such as instruction, special education and building maintenance	Instances in which the School District acts as a trustee or an agent for resources that belong to others but does not have administrative control, such as property taxes collected on behalf of other governments or scholarships in a trust
<b>Required Financial Statements</b>	1. Statement of Net Position 2. Statement of Activities	3. Balance Sheet 4. Statement of Revenues, Expenditures, and Changes in Fund Balance	5. Statement of Fiduciary Net Position 6. Statement of Changes in Fiduciary Net Position
<b>Accounting Basis and Measurement Focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
<b>Type of Asset /Deferred Outflows of Resources / Liability / /Deferred Inflows of Resources Information</b>	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	All deferred outflows of resources, liabilities, and deferred inflows of resources, both short-term and long-term; funds do not currently contain capital assets, although they can
<b>Type of Inflow / Outflow Information</b>	All revenues and expenses during the 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	Additions and deductions during the year, regardless of when cash is received or paid

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2024

**OVERVIEW OF FINANCIAL STATEMENTS - Continued**

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**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.

The two District-wide statements report the District's net position and how it has changed. Net position, or the difference between assets and deferred outflows of resources, and 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 is an indicator of whether its financial health is improving or deteriorating, respectively.
- ❑ To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in enrollment, changes in the property tax base, changes in program funding by the Federal and State governments, and condition of 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 most significant funds -- not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular programs. Some funds are required to be established by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes or to show that the District is meeting legal responsibilities for using certain revenues.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2024

**OVERVIEW OF FINANCIAL STATEMENTS - Continued**

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**Fund Financial Statements – Continued**

The District has one kind of funds:

- Governmental Funds - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets 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, we provide additional information at the bottom of the government fund statements that explains the relationship (or differences) between them.

The term "fund balance" refers to the particular fund's equity (Assets + Deferred Outflows of Resources – Liabilities - Deferred Inflows of Resources) in a similar manner to the way the term "net position" is used in the district-wide financial statements presentation.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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**Net Position**

Net Position may serve over time as a useful indicator of a District's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$4,382,260 at the close of the most recent fiscal year (see Table 1). This represents a \$734,997 decrease in the net position for the year.

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

In addition to assets, the *Statement of Net Position* reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. Included in deferred outflows of resources in the current year is \$2,657,487 related to the District's participation in the NYS TRS and ERS pension systems and \$6,499,506 related to the District's OPEB Plan.

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 position 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. Included in deferred inflows of resources in the current year is \$609,563 related to the District's participation in the NYS TRS and ERS pension systems, and \$2,522,805 related to the District's OPEB Plan.

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2024

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

- Continued

**Table 1: Net Position – Condensed Statement of Net Position**

The following table summarizes the District's net position. The complete Statement of Net Position can be found in the District's audited basic financial statements.

	Fiscal Year 2024	Fiscal Year 2023	Percent Change
<b>ASSETS</b>			
Current and Other Assets	\$ 11,585,491	\$ 10,753,495	7.7%
Capital Assets, Net	28,025,044	27,131,294	3.3%
<b>TOTAL ASSETS</b>	<u>\$ 39,610,535</u>	<u>\$ 37,884,789</u>	<u>4.6%</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Other Postemployment Benefits	\$ 6,499,506	\$ 6,683,141	-2.7%
Pensions	2,657,487	3,348,248	-20.6%
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 9,156,993</u>	<u>\$ 10,031,389</u>	<u>-8.7%</u>
<b>LIABILITIES</b>			
Current Liabilities	\$ 3,371,661	\$ 839,582	301.6%
Long-Term Liabilities	37,881,239	38,452,005	-1.5%
<b>TOTAL LIABILITIES</b>	<u>\$ 41,252,900</u>	<u>\$ 39,291,587</u>	<u>5.0%</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pensions	\$ 609,563	\$ 279,824	117.8%
Other Postemployment Benefits	2,522,805	3,227,510	-21.8%
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>\$ 3,132,368</u>	<u>\$ 3,507,334</u>	<u>-10.7%</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	\$ 18,259,575	\$ 17,383,652	5.0%
Restricted	7,363,982	6,522,666	12.9%
Unrestricted (Deficit)	(21,241,297)	(18,789,061)	13.1%
<b>TOTAL NET POSITION</b>	<u>\$ 4,382,260</u>	<u>\$ 5,117,257</u>	<u>-14.4%</u>

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**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2024

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

- Continued

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**Changes in Net Position**

This Statement of Activities shows the cost of program services net of charges for services and grants offsetting those services. General revenues including tax revenue, investment earnings and unrestricted state and federal aid must support the net cost of the District's programs.

Table 2 below summarizes the school district's revenue and expense activity.

**Table 2: Changes in Net Position – Condensed Statement of Activities**

	<b>Governmental Activities</b>		<b>Total % Change</b>
	<b>2024</b>	<b>2023</b>	<b>2023-2024</b>
<b>Revenues</b>			
General Revenues			
Property Taxes	\$ 2,010,087	\$ 1,989,804	1.02%
State Revenues	13,165,244	13,017,195	1.14%
Other Revenues	778,850	590,438	31.91%
Program Revenues			
Charges for Services	226,244	269,204	-15.96%
Operating Grants	2,021,821	2,018,494	0.16%
Capital Grants	-	298,300	-100.00%
<b>Total Revenues</b>	<u>18,202,246</u>	<u>18,183,435</u>	0.10%
<b>Expenses</b>			
General Support	3,048,550	2,952,216	3.26%
Instruction	12,795,223	11,708,002	9.29%
Pupil Transportation	1,956,215	1,786,437	9.50%
Community Service	17,443	-	100.00%
Interest Expense	502,608	395,904	26.95%
Food Service Program	617,204	396,077	55.83%
<b>Total Expenses</b>	<u>18,937,243</u>	<u>17,238,636</u>	9.85%
<b>Total Change in Net Position</b>	<u>\$ (734,997)</u>	<u>\$ 944,799</u>	-177.79%

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**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2024

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

- Continued

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**Governmental Activities**

The cost of all governmental activities this year was \$18,937,243.

Table 3 presents the net cost (total cost less fees generated by the activities and intergovernmental aid) of various District functions. The net cost reflects what was funded by charges for services and operating and contributions.

**Table 3 - Net Cost of Governmental Activities**

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
<b>Net Expenses (Revenues)</b>		
General Support	\$ 3,048,550	\$ 2,952,216
Instruction	11,069,439	9,573,759
Pupil Transportation	1,956,215	1,786,437
Community Service	17,443	-
Interest Expense	502,608	395,904
Food Service Program	94,923	(55,678)
<b>TOTAL NET EXPENSES (REVENUES)</b>	<b>\$ 16,689,178</b>	<b>\$ 14,652,638</b>

## EDWARDS-KNOX CENTRAL SCHOOL DISTRICT

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### MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024

#### REVENUES

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The next several paragraphs explain the revenues in fiscal year 2023-2024 and addresses changes from fiscal year-end 2022-2023. Following these explanations are graphical representations of the statement of activities. First, a column chart which compares the revenues from year-end 2023 to 2024 and second, a pie chart illustrating the percentage of revenues to the total by category.

The District's total revenues were \$18,202,246, an increase of \$18,811 or approximately 0.10%. State generated revenue increased \$148,049 as a result of the increase in Foundation aid and Excess Cost Aid. State aid accounted for 72.3% of all revenues. The District is heavily dependent on property tax, state and federal aid for funding.

*Charges for Services* showed a decrease of approximately 15.96% due to a variety of factors.

*Tax levy revenue* accounted for another 11.04% of total revenues, increasing 1.02% or \$20,283. This increase represents the amount needed to fund the increased budget approved by the voters. Of the revenue from the tax levy, property taxes accounted for 87.87% or \$1,766,314 and other tax items (STAR reimbursement and interest and penalties) accounted for 12.13% or \$243,773.

*State revenues* increased overall by 1.14% or \$148,049 in the 2023-2024 fiscal year compared to 2022- 2023.

*Other revenues* increased by \$188,412 or 31.91% over 2022-2023 fiscal year.

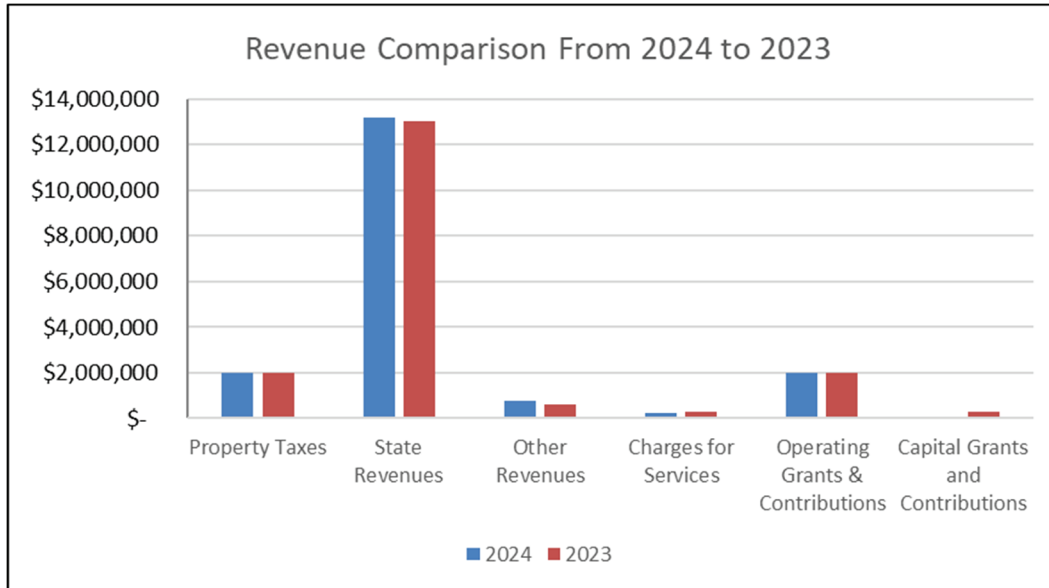
EDWARDS-KNOX CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

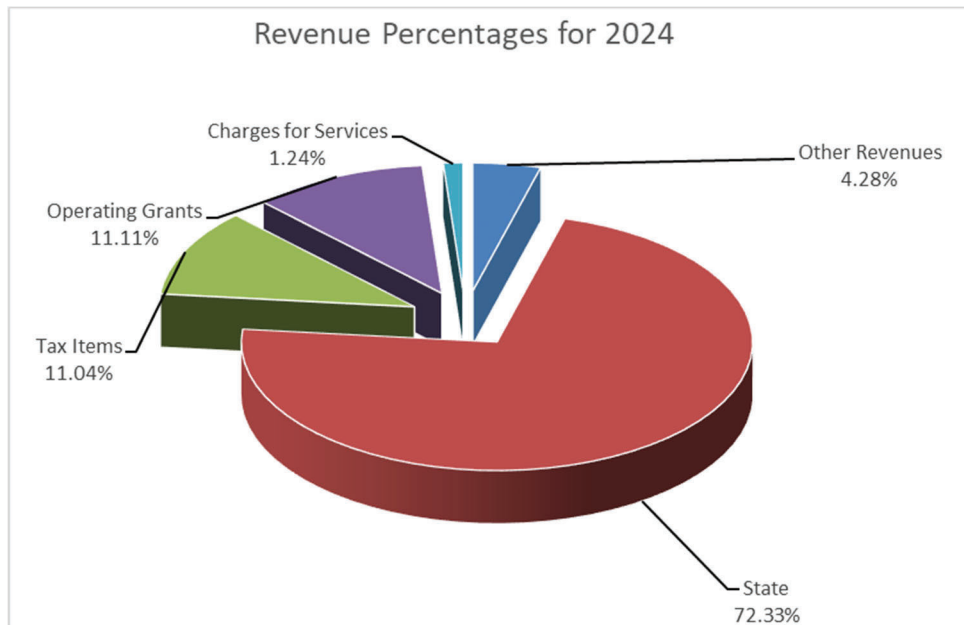
June 30, 2024

REVENUES - Continued

The following bar graph compares the revenues in 2023-2024 to 2022-2023. This chart indicates the total revenue in dollars by category for each fiscal year.



The following pie chart summarizes the revenues for the fiscal year 2023-2024. The chart illustrates the percentage of revenues to the total by category.



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## EDWARDS-KNOX CENTRAL SCHOOL DISTRICT

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### MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024

#### EXPENSES

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The next several paragraphs explain the expenses in fiscal year 2023-2024 and addresses changes from fiscal year-end 2022-2023. These changes are illustrated in Condensed Statement of Activities (Table 2) and in the Net Cost of Governmental Activities (Table 3). Following these explanations are graphical representations of the statement of activities. First, a column chart which compares the expenses from year end June 30, 2023 to June 30, 2024, and second, a pie chart illustrating the percentage of expenses to the total by category.

The total cost of all programs and services was \$18,937,243. This is an increase of \$1,698,607 from the 2022-2023 fiscal year. This increase is mostly due to the increase in instructional and general support expenditures reported in the current year.

*General support*, which includes administrative activities and plant services, accounted for 16.10% of total costs. General support expenses increased 3.26% from the prior year or \$96,334.

*Instruction*: The District's expenses are predominately related to educating and caring for students, are 67.57% of total expenses. Instructional expenses increased by 9.29% or \$1,087,221 from the previous year.

*Pupil Transportation* expenses account for 10.33% of total expenses. Transportation expenses increased 9.50% or approximately \$169,778.

*School Food Service Program*, also known as the cafeteria fund, is included in the condensed statement of activities (Table 2). The school food service program is designed to be self-supporting, with revenues expected to match expenses. School food service expenses increased \$221,127.

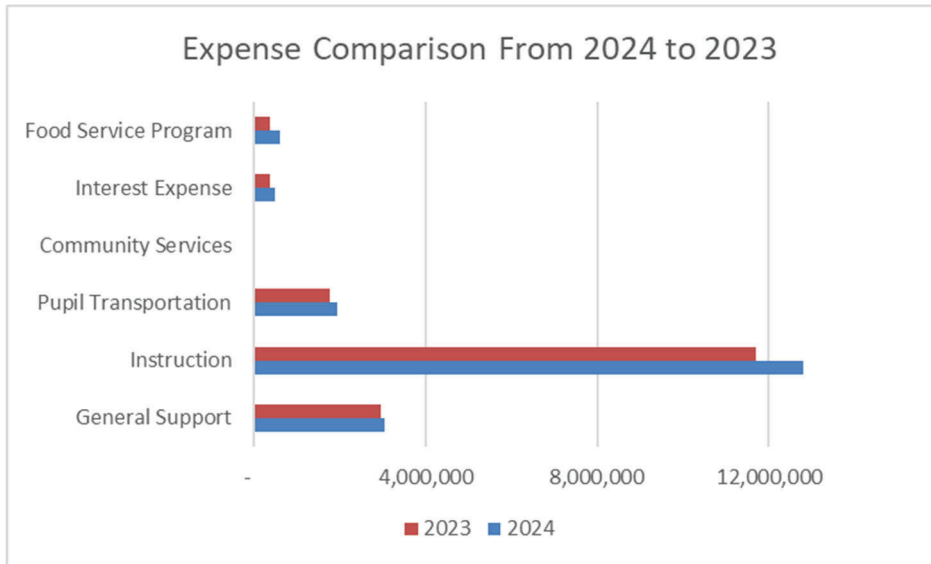
EDWARDS-KNOX CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

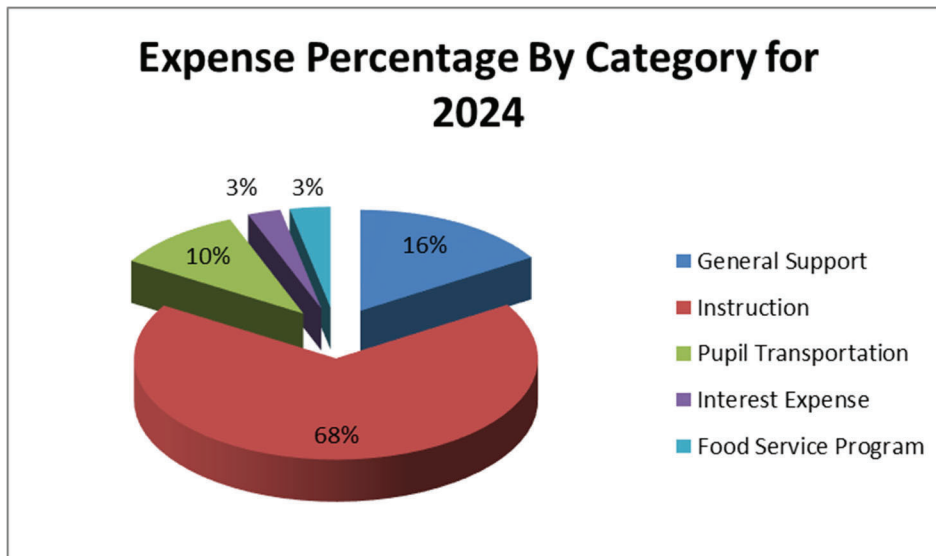
June 30, 2024

EXPENSES - Continued

The following bar graph compares the expenses in 2023-2024 to 2022-2023. This chart indicates the total expense in dollars by category for each fiscal year:



The following pie chart summarizes the expenses for the fiscal year 2023-2024. This chart illustrates the percentage of expenses to the total by category.



**MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2024

**BUDGETARY HIGHLIGHTS**

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**Revenues**

Over the course of the year, the District revises its annual budget to reflect unexpected changes in revenues and expenditures. The following summarizes the main components of the General Fund revenues:

*Property Taxes:* Revenue of \$1,766,314 represents 11.11% of total General Fund revenues. The property tax levy budget in 2023-2024 remained fairly consistent with 2022-2023 balances. The District stayed within the 2% Property Tax Cap.

*Charges for Services:* Revenue includes tuition fees and other items. The actual revenue in this category is higher than budget.

*Miscellaneous:* Revenue includes items such as the BOCES refund of prior year expenditures and the Medicare Part D subsidy. The large variance between actual and budgeted in this category is due to the BOCES refund of \$175,633. The District budgeted \$25,000, a \$193,882 variance. In the budget process, the District underestimated the BOCES refund revenue source because the refund is unknown and not measurable at that time.

*State Aid:* The major source of revenue was \$13,165,425 in state aid. State aid consists of foundation aid, building aid, transportation aid, lottery aid, BOCES aid, and instructional materials aid. This represents 82.77% of the entire revenue of the General Fund.

EDWARDS-KNOX CENTRAL SCHOOL DISTRICT

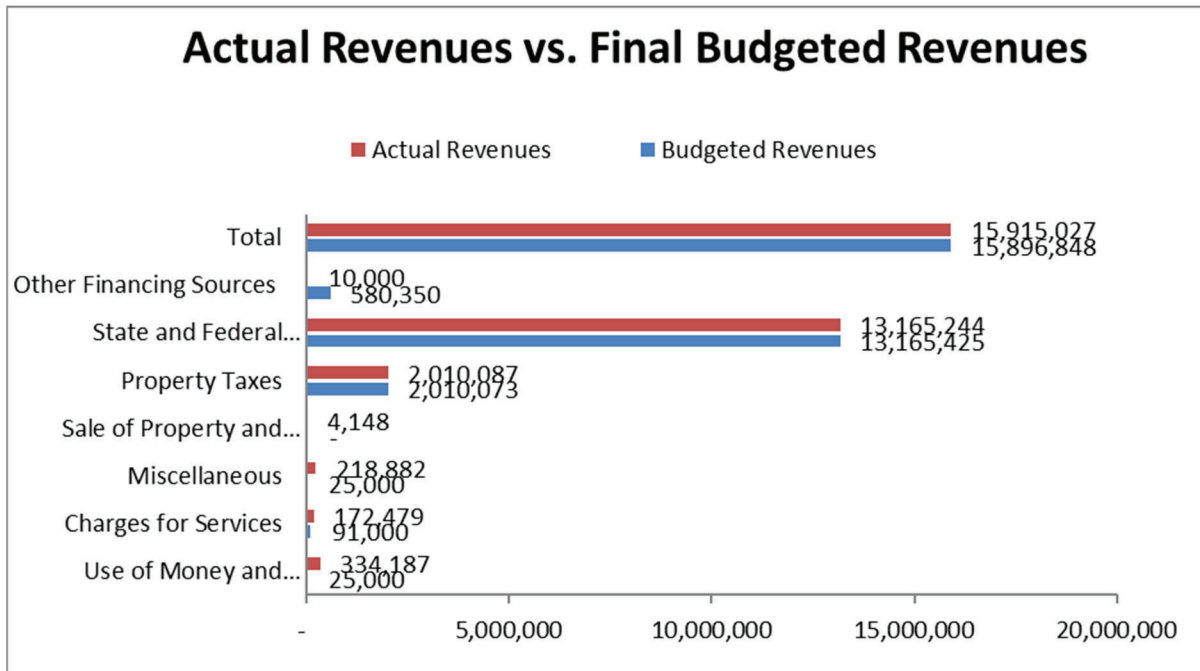
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024

BUDGETARY HIGHLIGHTS - Continued

Revenues – Continued

The bar graph below illustrates the actual revenues relative to the final budgeted revenues:



Expenditures

The District had the overall original expenditure budget of \$16,979,842 for the 2023-2024 school year and an adjusted expenditure budget of \$16,979,842.

Actual expenditures totaled \$16,083,668 for a favorable variance of \$896,174. The bar graph below illustrates how the actual expenditures are distributed and how they compare to the final budgeted appropriations.

District practice, as a means of budgetary control, is to under-expend in all functional budget codes. This strategy was successful during 2023-2024 as exhibited in the bar graph on the following page. The three categories deserving mention include instruction, employee benefits and general support.

EDWARDS-KNOX CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024

BUDGETARY HIGHLIGHTS - Continued

Expenditures - Continued

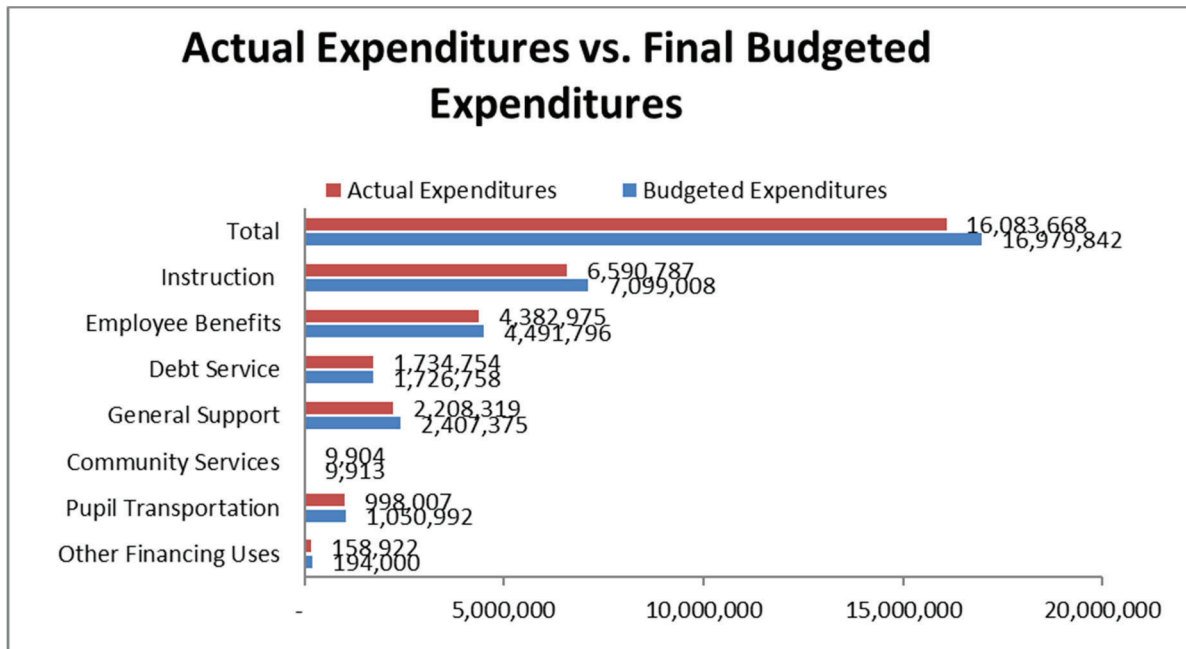
*Instruction:* The variance from budget to actual for instructional expenses totaled \$508,221 with the largest deviation in the area of programs for children with handicapping conditions. This is mostly due to the fluctuations of enrolled students with special needs.

*Employee Benefits:* The difference in employee benefits from budget to actual totals \$108,821.

The budget to actual variances are evident in teachers retirement expense, social security expense and health insurance benefits for active and retired employees.

*General Support:* The variance from budget to actual for general support is \$199,056 with the largest difference being special items in 2023-2024. The District budgeted balances towards potential judgements related to open litigation.

The bar graph below illustrates the actual expenses relative to the final budgeted expenses:





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## EDWARDS-KNOX CENTRAL SCHOOL DISTRICT

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### MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$8,235,273 as compared to last year's ending fund balance of \$9,936,523.

#### **General Fund:**

The General Fund showed a negative change in the total fund balance from the previous year; the fund balance at June 30, 2024 was \$7,344,380 compared to \$7,513,021 at June 30, 2023. This is a decrease of \$168,641.

#### **Capital Projects Funds:**

The Capital Projects Funds showed a total fund deficit of \$1,234,795 for the 2022 Main renovation project conducted and remaining net fund balances of \$189,216 on June 30, 2024 for non-major projects.

#### **School Food Service (Cafeteria) Fund:**

Expenditures in the School Food Service Fund largely reflect food costs, employee wages, and fringe benefits. The benefits are negotiated through the CSEA Local Union's unit contractual agreement. The School Food Service Fund total fund balance at June 30, 2024 was \$29,183 inclusive of \$13,673 in Nonspendable fund balance (inventories).

#### **Special Aid Fund:**

Federal and state grants provide funding for specific purposes ranging from reading improvement to servicing the needs of special education students.

It is important to note that half of these grants have a fiscal year, which runs from September 1 to August 31, which differs from the school fiscal year of July 1 to June 30. Therefore, there are funds being spent during the summer months, which result in carry over amounts as of the June 30, 2024 school year.

During 2023-2024, Special Aid Fund revenues decreased approximately 17.92% compared to 2022-2023. This was mainly due to a \$271,894 decrease in Education Stabilization Funds revenue in the current year from the prior year revenue of \$1,093,428. The following table illustrates the revenues and expenditures recorded in the Special Aid Fund as compared to the previous year.

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**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2024

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS - Continued**

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**Special Aid Fund - Continued:**

**Table 4: Special Aid Fund Revenues and Expenses:**

	<u>2024</u>	<u>2023</u>	<u>Change (+/-)</u>
<b>Revenues</b>			
State Sources	\$ 306,174	\$ 339,078	\$ (32,904)
Federal Sources	1,247,131	1,559,921	(312,790)
Interfund Transfer In	7,228	2,320	4,908
<b>TOTAL REVENUES</b>	<u><u>\$ 1,560,533</u></u>	<u><u>\$ 1,901,319</u></u>	<u><u>\$ (340,786)</u></u>
<b>Expenses</b>			
General Support	\$ -	\$ 30,898	\$ (30,898)
Instruction	1,368,003	1,621,801	(253,798)
Pupil Transportation	10,863	6,700	4,163
Employee Benefits	181,667	241,920	(60,253)
<b>TOTAL EXPENSES</b>	<u><u>\$ 1,560,533</u></u>	<u><u>\$ 1,901,319</u></u>	<u><u>\$ (340,786)</u></u>

All federal and state grants require the filing of an original budget, a budget amendment (if necessary), and a final cost report at the end of the project.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

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**Capital Assets**

The capital assets provide a picture of capital assets over time. These include land, buildings, and equipment and furniture. At June 30, 2024, the District had \$28,025,044 invested in a broad range of capital assets, including land, buildings and improvements, equipment and vehicles. See Table 5. More detailed information about the District's capital assets is presented in the notes to the basic financial statements.

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2024

**CAPITAL ASSET AND DEBT ADMINISTRATION - Continued**

**Capital Assets - Continued:**

**Table 5 - Capital Assets**

	<b>Governmental Activities</b>		<b>Total \$ Change</b>
	<b>2024</b>	<b>2023</b>	<b>2023-2024</b>
Land	\$ 30,512	\$ 30,512	\$ -
Construction In Progress	2,256,511	249,892	2,006,619
Buildings and Improvements	39,106,661	39,008,967	97,694
Furniture and Equipment	2,550,977	2,545,277	5,700
Vehicles	2,236,588	2,236,588	-
Intangible Lease Asset-Equipment	40,104	31,093	9,011
<b>Totals at Historical Cost</b>	<b>\$ 46,221,353</b>	<b>\$ 44,102,329</b>	<b>\$ 2,119,024</b>
Less: Total Accumulated Depreciation and Amortization	18,196,309	16,971,035	2,133,735
<b>CAPITAL ASSETS, NET</b>	<b>\$ 28,025,044</b>	<b>\$ 27,131,294</b>	<b>\$ 2,119,024</b>

**Long-Term Debt**

As of June 30, 2024, the District had \$37,881,239 in long-term debt, consisting of general obligation bonds, other postemployment benefits payable, lease payable, and amounts owed to employees upon their separation from service for accrued sick time, in accordance with labor contracts, as shown in Table 6.

**Table 6 - Long-Term Debt**

	<b>Governmental Activities</b>		<b>Total \$ Change</b>
	<b>2024</b>	<b>2023</b>	<b>2023-2024</b>
General Obligation Bonds, Net	\$ 8,842,583	\$ 9,735,113	\$ (892,530)
Other Post Employment Benefits	27,519,735	26,677,527	842,208
Compensated Absences	367,022	393,795	(26,773)
Lease Liability	15,926	12,529	3,397
Net Pension Liability - Proportionate Share	1,135,973	1,633,041	(497,068)
<b>TOTAL LONG-TERM DEBT</b>	<b>\$ 37,881,239</b>	<b>\$ 38,452,005</b>	<b>\$ (570,766)</b>

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## EDWARDS-KNOX CENTRAL SCHOOL DISTRICT

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### MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2024

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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At the time these financial statements were prepared and audited, the District was aware of several circumstances that could affect its future financial health.

Many factors were considered by the District's administration during the process of developing the fiscal 2024-2025 budget. The primary factors were maintaining the District's program offerings and facilities, changes in enrollment, changes in grant funding in some areas, the costs of employee benefits, and utilities. Economic uncertainty and the state's current request from the Rockefeller Institute for a study on the State Aid Formula are major factors that made it difficult to accurately project future revenues and budgets. With questionable economic environment, it is difficult to project the financial impact on the School District.

These indicators were considered when adopting the budget for fiscal year 2024-2025. Total General Fund budgeted appropriations in the amount of \$17,849,727 were budgeted, an increase of \$869,885 from the original 2023-2024 budget of \$16,979,842. The most significant changes in the 2024-2025 budget appropriations compared to the 2023-2024 budget were as follows:

- ❑ Central Services
- ❑ Special Appointment and Pupil Services
- ❑ BOCES Services

The District completed a Capital Outlay project in the 2023-224 school year. This project includes a transfer from the General Fund to the Capital Fund in the amount of \$100,000. The work took place during the school year and the district will be reimbursed at their aid ratio in the 2024-2025 school year. The goal is to use these smaller projects yearly in order to reduce the cost of the full-fledged building projects in the future. The district plans to continue these Capital Outlay projects.

The District increased taxes by 3.00% (lower than the state approved tax cap) for the 2024-2025 school year. The District will continue to monitor revenues and raise taxes as minimal as fiscally responsible.

The District is anticipating the continuation of increases in salaries, benefits, and BOCES services in the upcoming years. Special Education costs also continue to rise. In addition, the cost of materials, supplies, and fuel remain higher than this time last year. With the end of the Federal Stimulus Funding, the 2024-2025 General Fund budget absorbed the cost of some of the services that were supported by the Stimulus Funding.

## **EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2024

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

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This financial report is designed to provide our citizens, taxpayers, parents, participants, 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 Edwards-Knox Central School District Business Office, 2512 County Route 24, Hermon, NY 13652.

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

**AUDITED BASIC FINANCIAL STATEMENTS**

**STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES**

June 30, 2024

<b>ASSETS</b>	
Cash and Cash Equivalents	
Unrestricted	\$ 3,658,114
Restricted	6,010,527
Receivables	
State and Federal Aid	1,304,271
Due From Other Governments	555,368
Other	42,187
Inventories	13,673
Prepaid Expenditures	1,351
Capital Assets, Net	28,025,044
<b>TOTAL ASSETS</b>	<b>\$ 39,610,535</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Other Postemployment Benefits	\$ 6,499,506
Pensions	2,657,487
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 9,156,993</b>
<b>LIABILITIES</b>	
Payables	
Accounts Payable	\$ 1,229,969
Accrued Liabilities	37,209
Due to Other Governments	509
Accrued Interest on Bonds Payable	21,443
Due to Teachers' Retirement System	506,825
Due to Employees' Retirement System	74,292
Unearned Credits	
Unearned Revenues - Other	6,414
Notes Payable	
Bond Anticipation Notes	1,495,000
Long-Term Liabilities	
Due and Payable Within One Year	
Bonds Payable, Net of Unamortized Premium	1,293,200
Lease Liability	9,596
Due and Payable After One Year	
Bonds Payable, Net of Unamortized Premium	7,549,383
Lease Liability	6,330
Compensated Absences Payable	367,022
Net Pension Liability – Proportionate Share	1,135,973
Other Postemployment Benefits Payable	27,519,735
<b>TOTAL LIABILITIES</b>	<b>\$ 41,252,900</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pensions	\$ 609,563
Other Postemployment Benefits	2,522,805
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 3,132,368</b>
<b>NET POSITION</b>	
Net Investment in Capital Assets	\$ 18,259,575
Restricted for:	
Debt Service	1,628,366
Other Legal Restrictions	5,735,616
Unrestricted (Deficit)	(21,241,297)
<b>TOTAL NET POSITION</b>	<b>\$ 4,382,260</b>

See notes to audited basic financial statements.

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION -  
GOVERNMENTAL ACTIVITIES**

Year Ended June 30, 2024

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants</u>	
<b>FUNCTIONS/PROGRAMS</b>				
General Support	\$ 3,048,550	\$ -	\$ -	\$ (3,048,550)
Instruction	12,795,223	172,479	1,553,305	(11,069,439)
Pupil Transportation	1,956,215	-	-	(1,956,215)
Community Service	17,443	-	-	(17,443)
Debt Service - Interest	502,608	-	-	(502,608)
School Food Service	617,204	53,765	468,516	(94,923)
Total Functions and Programs	<u>\$ 18,937,243</u>	<u>\$ 226,244</u>	<u>\$ 2,021,821</u>	<u>(16,689,178)</u>
<b>GENERAL REVENUES</b>				
Real Property Taxes				1,766,314
Other Tax Items				243,773
Use of Money and Property				483,241
Gain on Disposal of Property				4,148
State Sources				13,165,244
Miscellaneous				291,461
Total General Revenues				<u>15,954,181</u>
Change in Net Position				(734,997)
Net Position - Beginning of Year				<u>5,117,257</u>
Net Position - End of Year				<u>\$ 4,382,260</u>

See notes to audited basic financial statements.

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**BALANCE SHEET - GOVERNMENTAL FUNDS**

June 30, 2024

	<u>General</u>	<u>Special Aid</u>	<u>Capital Project - Main 2022</u>
<b>ASSETS</b>			
Cash and Cash Equivalents			
Unrestricted	\$ 1,953,714	\$ 48,540	\$1,600,574
Restricted	5,128,858	-	-
Receivables			
Due From Other Funds	1,005,210	-	-
State and Federal Aid	316,180	956,179	-
Due From Other Governments	555,368	-	-
Other	42,187	-	-
Inventories	-	-	-
Prepaid Expenditures	1,351	-	-
<b>TOTAL ASSETS</b>	<u>\$ 9,002,868</u>	<u>\$1,004,719</u>	<u>\$1,600,574</u>
<b>LIABILITIES</b>			
Payables			
Accounts Payable	\$ 26,474	\$ 51,802	\$1,151,693
Accrued Liabilities	32,694	-	-
Due to Other Funds	1,018,203	946,503	188,676
Due to Other Governments	-	-	-
Due to Teachers' Retirement System	506,825	-	-
Due to Employees' Retirement System	74,292	-	-
Unearned Credits			
Overpayments & Collections in Advance	-	6,414	-
Notes Payable			
Bond Anticipation Notes	-	-	1,495,000
Total Liabilities	<u>1,658,488</u>	<u>1,004,719</u>	<u>2,835,369</u>
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable	1,351	-	-
Restricted	5,128,858	-	-
Assigned	1,345,293	-	-
Unassigned	868,878	-	(1,234,795)
Total Fund Balances (Deficits)	<u>7,344,380</u>	<u>-</u>	<u>(1,234,795)</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<u>\$ 9,002,868</u>	<u>\$1,004,719</u>	<u>\$1,600,574</u>

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**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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<b>Debt Service</b>	<b>Total Non-Major Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 55,286	\$ 3,658,114
273,227	608,442	6,010,527
1,355,139	9,440	2,369,789
-	31,912	1,304,271
-	-	555,368
-	-	42,187
-	13,673	13,673
-	-	1,351
<b>\$1,628,366</b>	<b>\$ 718,753</b>	<b>\$ 13,955,280</b>
\$ -	\$ -	\$ 1,229,969
-	4,515	37,209
-	216,407	2,369,789
-	509	509
-	-	506,825
-	-	74,292
-	-	6,414
-	-	1,495,000
-	221,431	5,720,007
-	13,673	15,024
1,628,366	606,758	7,363,982
-	15,510	1,360,803
-	(138,619)	(504,536)
1,628,366	497,322	8,235,273
<b>\$1,628,366</b>	<b>\$ 718,753</b>	<b>\$ 13,955,280</b>

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See notes to audited basic financial statements.

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION**

June 30, 2024

**Total Fund Balances - Governmental Funds** \$ 8,235,273

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

Proportionate share of long-term liability associated with participation in state retirement systems are not current financial resources or obligations and are not reported in the fund statements.

Net Pension Liability - Proportionate Share - TRS	\$ 285,669	
Net Pension Liability - Proportionate Share - ERS	<u>850,304</u>	(1,135,973)

Deferred inflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the fund statements consist of:

Pensions	\$ 609,563	
Other Postemployment Benefits	<u>2,522,805</u>	(3,132,368)

Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the fund statements consists of:

Pensions	\$ 2,657,487	
Other Postemployment Benefits	<u>6,499,506</u>	9,156,993

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:

Cost of Capital Assets	\$ 46,221,353	
Accumulated Depreciation and Amortization	<u>(18,196,309)</u>	28,025,044

Long-term liabilities, including bonds payable and compensated absences, are not due in the current period and, therefore, are not reported as liabilities in the fund statements.

Long-term liabilities, at year end, consist of:

Bonds Payable	\$ 8,382,835	
Premium on Bond Issue	459,748	
Accrued Interest on Bonds Payable	21,443	
Compensated Absences Payable	367,022	
Lease Liability	15,926	
Other Postemployment Benefits Payable	<u>27,519,735</u>	(36,766,709)

**Total Net Position - Governmental Activities** \$ 4,382,260

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See notes to audited basic financial statements.

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**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - GOVERNMENTAL FUNDS**

Year Ended June 30, 2024

	<b>General</b>	<b>Special Aid</b>	<b>Capital Project - Main 2022</b>
<b>REVENUES</b>			
Real Property Taxes	\$1,766,314	\$ -	\$ -
Other Tax Items	243,773	-	-
Charges for Services	172,479	-	-
Use of Money and Property	334,187	-	-
Sale of Property and Compensation for Loss	4,148	-	-
State Sources	13,165,244	306,174	-
Federal Sources	-	1,247,131	-
Surplus Food	-	-	-
Sales - School Food Service	-	-	-
Miscellaneous	218,882	-	-
Total Revenues	<u>15,905,027</u>	<u>1,553,305</u>	<u>-</u>
<b>EXPENDITURES</b>			
General Support	2,208,319	-	-
Instruction	6,590,787	1,368,003	-
Pupil Transportation	998,007	10,863	-
Community Services	9,904	-	-
Employee Benefits	4,382,975	181,667	-
Debt Service:			
Principal	1,195,614	-	-
Interest	539,140	-	-
Cost of Sales – School Food Service	-	-	-
Other Expenditures	-	-	-
Capital Outlay	-	-	2,006,619
Total Expenditures	<u>15,924,746</u>	<u>1,560,533</u>	<u>2,006,619</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(19,719)</u>	<u>(7,228)</u>	<u>(2,006,619)</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>			
Premium on Debt Issuance	-	-	-
Proceeds from Debt	-	-	-
BAN Redeemed from Appropriations	-	-	5,000
Operating Transfers In	10,000	7,228	-
Operating Transfers (Out)	(158,922)	-	-
Total Other Financing Sources and (Uses)	<u>(148,922)</u>	<u>7,228</u>	<u>5,000</u>
Net Change in Fund Balances	(168,641)	-	(2,001,619)
Fund Balances (Deficits) - Beginning of Year	7,513,021	-	766,824
Fund Balances (Deficits) - End of Year	<u>\$7,344,380</u>	<u>\$ -</u>	<u>\$(1,234,795)</u>

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**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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<b>Debt Service</b>	<b>Total Non-Major Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ 1,766,314
-	-	243,773
-	-	172,479
136,732	12,322	483,241
-	-	4,148
-	65,592	13,537,010
-	372,000	1,619,131
-	30,924	30,924
-	53,765	53,765
-	68,088	286,970
<u>136,732</u>	<u>602,691</u>	<u>18,197,755</u>
-	153,348	2,361,667
-	-	7,958,790
-	-	1,008,870
-	-	9,904
-	99,442	4,664,084
-	-	1,195,614
-	-	539,140
-	323,329	323,329
-	70,620	70,620
-	106,705	2,113,324
<u>-</u>	<u>753,444</u>	<u>20,245,342</u>
<u>136,732</u>	<u>(150,753)</u>	<u>(2,047,587)</u>
4,491	-	4,491
-	336,846	336,846
-	-	5,000
-	151,694	168,922
(10,000)	-	(168,922)
<u>(5,509)</u>	<u>488,540</u>	<u>346,337</u>
131,223	337,787	(1,701,250)
1,497,143	159,535	9,936,523
<u>\$1,628,366</u>	<u>\$ 497,322</u>	<u>\$ 8,235,273</u>

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See notes to audited basic financial statements.

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF  
ACTIVITIES**

Year Ended June 30, 2024

**Net Change in Fund Balances - Total Governmental Funds** \$ (1,701,250)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Net Position, assets with an initial individual cost of more than \$2,000 are capitalized and in the Statement of Activities the cost is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.

Capital Outlays	\$ 2,119,024	
Depreciation and Amortization Expense	<u>(1,225,274)</u>	893,750

Repayment of debt principal is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the Statement of Net Position. This is the amount of debt repayments made in the current period for bonds and lease liabilities. 1,190,614

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is paid, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is paid. The interest reported in the Statement of Activities is decreased by the decrease in accrued interest on bonds and amortization of premium on obligations. 36,532

Bond and lease proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. These are the amounts related to the issuance of bonds and leases in the current year:

Serial Bond Proceeds	\$ 327,835	
Operating Lease	<u>9,011</u>	(336,846)

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF  
ACTIVITIES - CONTINUED**

Year Ended June 30, 2024

In the Statement of Activities, certain operating expenses-compensated absences (vacations and certain sick pay), special termination benefits (early retirement) are measured by the amount earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	26,773	
On the Statement of Activities, the actual and projected long term expenditures for postemployment benefits and related deferred outflows/inflows are reported, whereas, on the governmental funds only the actual expenditures are recorded for postemployment benefit.	(321,138)	
(Increase) decrease in proportionate share of net pension asset (liability) and related deferred outflows/inflows reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.		
Teachers' Retirement System	\$ (375,224)	
Employees' Retirement System	(148,208)	(523,432)
<b>Change in Net Position of Governmental Activities</b>		<b><u>\$ (734,997)</u></b>

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**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

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The financial statements of Edwards-Knox Central School District (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government 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:

**Reporting Entity**

The Edwards-Knox Central School District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of 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 authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB 39, *Component Units*, GASB 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB No. 14 and No. 39*, GASB Statement 80 - *Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14*, GASB 84, *Fiduciary Activities*, and GASB 97, *Certain Component Unit Criteria*, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—An Amendment of GASB Statements No. 14 And No. 84, and a Supersession of GASB 32. 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. 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.



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**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Extra Classroom Activity Funds**

The Extra Classroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extra Classroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extra Classroom Activity Funds can be found at the District's business office. The District accounts for assets held as an agent for various student organizations in a miscellaneous special revenue fund.

**Joint Venture**

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

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

A BOCES' budget is comprised of separate budgets for administrative, program and capital costs. Each component 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 \$2,665,174 for BOCES administrative, capital, and program costs.

The District's share of BOCES aid amounted to \$1,315,680. This represents State aid distributions of \$1,140,047 and 2023 fund balance returned to schools of \$175,633.

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

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**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Basis of Presentation**

District-Wide Statements

The *Statement of Net Position* and the *Statement of Activities* present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State and Federal 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 fiscal year-end. The *Statement of Activities* presents a comparison between direct program expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Statements

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

The District reports the following governmental funds:

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

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**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Basis of Presentation - Continued**

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, extra classroom activity funds which the District has administrative involvement 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.

Special Aid Fund: Used to account for proceeds received from state and federal grants that are restricted for specific educational programs.

School Food Service Fund: Used to account for child nutrition activities whose funds are restricted as to use.

Extra Classroom Activity Funds: Used to account for funds operated by and for the students of the District. The Board exercises general oversight of these funds. The extra classroom activity funds are independent of the District with respect to its financial transactions and the designation of student management.

Scholarships and Awards Fund: Used to account for proceeds received from various individuals and organizations that are restricted for specific scholarship and award programs not under specific trust arrangements.

Capital Projects Funds: These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. 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. Those that are determined to be non-major are reported in the supplemental schedules either separately or in the aggregate.

Debt Service Fund: This fund accounts for the accumulations of resources and the payment of principal and interest on long-term general obligations 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.

Permanent Fund: This fund accounts for proceeds received from various individuals and organizations that is permanently restricted and earnings are only available for use of specific scholarship and award programs based on the agreements.

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued**

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**Measurement Focus and Basis of Accounting**

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

The District-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. 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 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 60 days after the end of the fiscal year as it matches the liquidation of related obligations.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences, pensions, and other post-employment benefits which are recognized as expenditures to the extent they have matured. General capital asset, intangible lease asset, and intangible subscription asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions of leases and subscriptions with terms greater than one year are reported as other financing sources.

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**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued**

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**Property Taxes**

Real property taxes are levied annually by the Board of Education no later than September 1, 2023 and become a lien on August 8, 2023. Taxes are collected during the period from September 1, 2023 to October 31, 2023.

Uncollected real property taxes are subsequently enforced by St. Lawrence County, in which the District is located. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than the following April 1.

**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.

**Interfund Transactions**

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

In the District-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the fiduciary 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 9 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued**

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**Estimates**

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

**Cash and Cash Equivalents**

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

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

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

**Receivables**

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

**Inventories and Prepaid Items**

Inventories of food in the School Food Service Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value that approximates market. Purchases of inventory items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount.

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued**

---

**Inventories and Prepaid Items - Continued**

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

A portion of the fund balance in the amount of these non-liquid assets (inventories and prepaids) has been identified as not available for other subsequent expenditures.

**Other Assets**

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.

**Capital Assets and Intangible Lease Assets**

Capital assets are reported at actual cost or estimated historical cost. Donated assets are reported at estimated fair market value at the time received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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</u> <u>Threshold</u>	<u>Depreciation</u> <u>Method</u>	<u>Estimated</u> <u>Useful Life</u>
Land	\$ 5,000	N/A	N/A
Buildings and improvements	5,000	Straight-line	40-50 Years
Site Improvements	2,000	Straight-line	20 Years
Furniture and Equipment	2,000	Straight-line	5-15 Years
Vehicles	2,000	Straight-line	5-15 Years

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**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued**

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**Capital Assets and Intangible Lease Assets - Continued**

The District does not possess any infrastructure.

Intangible lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, plus ancillary charges necessary to place the lease into service. A capitalization threshold of \$2,000 is used for lease acquisitions that are prepaid and have no corresponding lease liability. Intangible lease assets are amortized over the lease term (3-5 years) consistent with the decrease in the related lease liability or using the straight-line method if there is no corresponding lease liability.

**Deferred Outflows and Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. The first 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 second item is related 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 and the changes of assumptions or other inputs. The third item is the District's contributions to the New York State Teachers' and Employees' pension systems and to the Other Postemployment Benefit (OPEB) plan subsequent to the measurement date.

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 position 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 two items that qualify for reporting in this category. The first 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 (TRS and 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 second 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.



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**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued**

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**Unearned Revenue**

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

**Vested Employee Benefits**

Compensated Absences

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

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

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

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

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**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued**

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**Other Benefits**

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

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

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

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**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued**

**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 fund financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

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

**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 assets (present value of future payments remaining on the term less accumulated amortization) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvements of those assets.

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

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

Fund Statements

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

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**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued**

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**Equity Classifications - Continued**

**Nonspendable** - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance typically includes the inventory recorded in the School Food Service Fund and prepaid expenditures recorded in the General Fund. The School Food Service Fund had \$13,673 of actual inventories on hand and the General Fund had \$1,351 of prepaid expenditures as of June 30, 2024.

**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. All encumbrances of funds other than the General Fund are classified as restricted fund balance. The District has established the following restricted fund balances:

**Retirement Contributions**

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. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund 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.

**Employee Benefit Accrued Liability**

According to General Municipal Law §6-p, all expenditures made from the employee benefit accrued liability reserve fund must be used for the payment of accrued employee benefit due 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.

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued**

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**Equity Classifications – Continued**

**Unemployment Insurance**

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 of the excess applied to the appropriations of the next succeeding fiscal year's budget. If the District elects to convert to tax (contributions) 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.

**Insurance**

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

**Workers' Compensation**

According to General Municipal Law §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 the excess applied to the appropriations of the next succeeding fiscal year's budget. This reserve is accounted for in the General Fund.

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued**

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**Equity Classifications – Continued**

**Capital Projects Fund**

According to constraints placed on the use of resources established by approved capital projects, must be used for the specific purpose outlined in the approved proposition. These monies are accounted for in the Capital Projects Fund.

**Debt Service**

According to General Municipal Law §6-1, the Mandatory Reserve for Debt Service must be established for the purpose of retiring the outstanding litigations 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 School District property or capital improvement. This reserve is accounted for in the Debt Service Fund.

**Permanent Fund – Scholarships**

The fund is used to account for and report resources that are legally restricted to the extent that earnings, not principal, may be used for purposes that benefit the School District and recipients of the designated scholarships. The monies are accounted for in the Permanent Fund – Scholarships.

**Scholarships and Awards Fund**

According to constraints placed on the use of resources established by various scholarship and award programs, must be used for the specific purpose outlined in the program. These monies are accounted for in the Scholarships and Awards Fund.

**Extra Classroom Activity Funds**

According to the regulations of the Commissioner of Education (8 NYCRR Part 172), the Board of Education of the District is required to make the rules and regulations for the establishment, conduct, operation, and maintenance of extra classroom activities and for the safeguarding, accounting and audit of all moneys received. According to the regulations of the Board of Education, the monies represent the funds of the students of the District and must be used by the student organizations of the District. These monies are accounted for the in Extra Classroom Activity Funds.

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued**

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**Equity Classifications – Continued**

Restricted fund balances include the following:

General Fund	
Reserve for Employee Retirement System Contributions	\$ 2,611,872
Reserve for Teachers' Retirement System Contributions	402,000
Employee Benefit Accrued Liability	407,708
Unemployment Insurance	149,434
Workers' Compensation	377,369
Insurance	1,180,475
Capital Projects Funds	327,835
Debt Service Fund	1,628,366
Permanent Fund	136,484
Extra Classroom Activity Funds	39,501
Scholarships and Awards Fund	102,938
Total Restricted Funds	<u>\$ 7,363,982</u>

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

**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 an amount 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 in the General Fund. Encumbrances reported in the General Fund amounted to \$0. Any remaining fund balance in other funds is considered assigned.

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

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES - Continued**

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**Equity Classifications – Continued**

NYS 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. Nonspendable and restricted fund balance of the General Fund are 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.

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.

**New Accounting Standards**

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

GASB has issued Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*, effective for the year ended June 30, 2024.

**Future Changes in Accounting Standards**

GASB has issued Statement No. 101, *Compensated Absences*, effective for the year ended June 30, 2025.

GASB has issued Statement No. 102, *Certain Risk Disclosures*, effective for the year ended June 30, 2025.

GASB has issued Statement No. 103, *Financial Reporting Model Improvements*, effective for the year ended June 30, 2026.

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.



**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES  
BETWEEN FUND STATEMENTS AND DISTRICT-WIDE  
STATEMENTS**

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

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

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets, as applied to the reporting of long-term assets and long-term liabilities.

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES  
BETWEEN FUND STATEMENTS AND DISTRICT-WIDE  
STATEMENTS - Continued**

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**Statement of Revenues, Expenditures and Changes in Fund Balances vs. Statement of Activities**

Differences between the funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Statement of Activities fall into one of five broad categories. The amounts shown below represent:

1. Long-Term Revenue and Expense 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 modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

2. Capital Related Differences:

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

3. Long-Term Debt Transaction Differences:

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

4. Pension Differences:

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

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES  
BETWEEN FUND STATEMENTS AND DISTRICT-WIDE  
STATEMENTS - Continued**

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**Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities  
- Continued**

5. OPEB Differences:

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

**NOTE 3 - STEWARDSHIP, COMPLIANCE, AND  
ACCOUNTABILITY**

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**Budgets**

The District administration prepares a proposed budget for approval by the Board of Education for the following governmental funds for which legal (appropriated) budgets are adopted:

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

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.

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

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**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 3 - STEWARDSHIP, COMPLIANCE, AND  
ACCOUNTABILITY - Continued**

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**Budgets - Continued**

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

Special Revenue Funds have not been included in the comparison because they do not have a legally authorized (appropriated) budget.

**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 restrictions or assignments of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time as the liability is incurred or the commitment is paid.

**Other**

The Capital Project - Main 2022 Fund –shows an unassigned fund balance deficit of \$1,234,795. This will be eliminated when the District obtains permanent financing in the subsequent fiscal years.

The Capital Project - Other Funds – shows an unassigned fund balance deficit of \$138,619. This will be eliminated when the District transfers additional funds in the subsequent fiscal years.

The District's unreserved undesignated fund balance was in excess of the New York State Real Property Tax Law § 1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year. The District plans to continue reducing the fund balance within the budget process.

The District's debt service expenditures exceeded the approved budget by \$7,996 in the General Fund.

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 4 - CASH AND CASH EQUIVALENTS - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE, AND FOREIGN CURRENCY RISKS**

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**Cash**

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

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

Uncollateralized	<u><u>\$ -</u></u>
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	<u><u>\$ 1,462,030</u></u>

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 \$5,128,858 restricted for various fund balance reserves in the General Fund, \$327,835 for a bus purchase financed with debt in the Capital Project-Bus Purchase, \$273,227 for debt services payments in the Debt Service Fund, \$39,260 restricted for extra classroom activities in the Extra Classroom Activity Fund, \$104,863 restricted for scholarships and awards in the Scholarships and Awards Fund, and \$136,484 for scholarships in the Permanent Fund within the governmental funds.

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, 2024 all deposits were fully insured and collateralized by the District’s agent, but not 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 District Treasurer.

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 4 - CASH AND CASH EQUIVALENTS - CUSTODIAL  
CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE,  
AND FOREIGN CURRENCY RISKS - Continued**

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**Cash - Continued**

The District does not typically purchase investments for a long enough duration to cause it to believe that it is exposed to any material interest rate risk.

The District does not typically purchase investments denominated in a foreign currency and is not exposed to foreign currency risk.

**Investment Pool - NYCLASS**

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

The amounts held represent the cost of the investment pool shares and are considered to approximate net asset value. The investment pool is categorically exempt from the New York State collateral requirements. Additional information concerning the cooperative is presented in the annual report of NY Class. At June 30, 2024, the District held \$8,361,242 in the investment pool.

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 5 - CAPITAL ASSETS AND INTANGIBLE LEASE ASSETS**

In accordance with the provisions of GASB Statement No 87, *Leases*, the District has recognized an intangible lease asset for agreements whereby the District obtains the right to the present service capacity of an underlying asset and the right to determine the nature and manner of an underlying asset's use for a period of one year or greater. The District has entered into such lease agreements for various items and other equipment.

Capital asset and intangible lease asset balances and activity for the year ended June 30 are as follows:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements / Reclassifications</b>	<b>Ending Balance</b>
Capital Assets That Are Not Depreciated:				
Land	\$ 30,512	\$ -	\$ -	\$ 30,512
Construction In Progress	249,892	2,006,619	-	2,256,511
Total Nondepreciable Assets	<u>280,404</u>	<u>2,006,619</u>	<u>-</u>	<u>2,287,023</u>
Other Capital Assets:				
Buildings and Improvements	39,008,967	97,694	-	39,106,661
Furniture and Equipment	2,545,277	5,700	-	2,550,977
Vehicles	2,236,588	-	-	2,236,588
Intangible Lease Asset-Equipment	31,093	9,011	-	40,104
Total Other Capital Assets	<u>43,821,925</u>	<u>112,405</u>	<u>-</u>	<u>43,934,330</u>
Less: Accumulated Depreciation				
Buildings and Improvements	13,689,011	780,179	-	14,469,190
Furniture and Equipment	2,104,274	137,490	-	2,241,764
Vehicles	1,157,180	302,939	-	1,460,119
Less: Accumulated Amortization				
Intangible Lease Asset-Equipment	20,570	4,666	-	25,236
Total Accumulated Depreciation and Amortization	<u>16,971,035</u>	<u>1,225,274</u>	<u>-</u>	<u>18,196,309</u>
Total Depreciated Assets, Net	<u>26,850,890</u>	<u>(1,112,869)</u>	<u>-</u>	<u>25,738,021</u>
Capital Assets, Net	<u>\$ 27,131,294</u>	<u>\$ 893,750</u>	<u>\$ -</u>	<u>\$ 28,025,044</u>

Depreciation expense was charged to governmental functions as follows:

General Support	\$ 205,446
Instruction	694,833
Pupil Transportation	302,939
School Food Service	22,056
Total Amortization and Depreciation Expense	<u>\$ 1,225,274</u>

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 6 - SHORT-TERM DEBT OBLIGATIONS**

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

Capital project costs and other approved expenditures incurred to obtaining permanent financing through issuance of bond anticipation notes (BANs).

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

	<b>Maturity</b>	<b>Interest Rate</b>	<b>Beginning Balance</b>	<b>Issued</b>	<b>Redeemed</b>	<b>Ending Balance</b>
BAN	6/28/2024	4.05%	\$ -	\$ 1,500,000	\$ 1,500,000	\$ -
BAN	6/27/2025	4.50%	-	1,495,000	-	1,495,000
			<u>\$ -</u>	<u>\$ 2,995,000</u>	<u>\$ 1,500,000</u>	<u>\$ 1,495,000</u>

Interest on short-term debt for the year was composed of:

Interest Paid	<u>\$ 56,025</u>
Total Interest on Short-Term Debt	<u>\$ 56,025</u>

The proceeds of the BANs were used as short-term financing for a District-wide project.

**NOTE 7 - LONG-TERM DEBT OBLIGATIONS**

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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.



**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 7 - LONG-TERM DEBT OBLIGATIONS - Continued**

**Serial Bonds**

The 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.

**Lease Liabilities**

The District enters into agreements to lease office equipment. Leases with a lease term greater than twelve months are recorded at the present value of the future minimum lease payments as of the date of their inception.

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

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>	<b>Amount Due Within One Year</b>
Long-Term Liabilities					
General Obligation Debt					
Serial Bonds	\$ 9,240,000	\$ 327,835	\$ 1,185,000	\$ 8,382,835	\$ 1,257,835
Premium on Obligations	495,113	-	35,365	459,748	35,365
Total Long-Term Liabilities	<u>9,735,113</u>	<u>327,835</u>	<u>1,220,365</u>	<u>8,842,583</u>	<u>1,293,200</u>
Other Long-Term Liabilities					
Compensated Absences Payable	393,795	-	26,773	367,022	-
Lease Liability	12,529	9,011	5,614	15,926	9,596
Other Postemployment Benefits Liability	26,677,527	842,208	-	27,519,735	-
Net Pension Liability - Proportionate Share	1,633,041	-	497,068	1,135,973	-
Total Other Long-Term Liabilities	<u>28,716,892</u>	<u>851,219</u>	<u>529,455</u>	<u>29,038,656</u>	<u>9,596</u>
Total Governmental Activities	<u>\$ 38,452,005</u>	<u>\$ 1,179,054</u>	<u>\$ 1,749,820</u>	<u>\$ 37,881,239</u>	<u>\$ 1,302,796</u>

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 7 - LONG-TERM DEBT OBLIGATIONS - Continued**

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The General Fund has typically been used to liquidate long-term liabilities such as compensated absences and other postemployment benefits payable.

Existing serial and statutory obligations:

<b>Description</b>	<b>Issue Date</b>	<b>Final Maturity</b>	<b>Interest Rate (%)</b>	<b>Balance</b>
Serial Bond	9/15/2010	9/15/2024	2.125%-3.25%	\$ 350,000
Serial Bond	6/15/2017	6/15/2035	3.00%-5.00%	4,015,000
Serial Bond	5/15/2024	11/15/2028	4.25%-4.375%	327,835
Serial Bond	9/15/2020	9/15/2024	1.00%-2.50%	45,000
Serial Bond	5/14/2021	9/15/2025	.50%-1.28%	50,000
Serial Bond	5/12/2022	11/15/2026	2.25%-3.70%	155,000
Serial Bond	6/15/2023	6/15/2038	5.00%	<u>3,440,000</u>
				<u>\$ 8,382,835</u>

The following is a summary of debt service for bonds payable requirements at year-end June 30:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 1,257,835	\$ 394,054	\$ 1,651,889
2026	900,000	347,020	1,247,020
2027	915,000	304,255	1,219,255
2028	905,000	260,725	1,165,725
2029	950,000	215,813	1,165,813
2030-2034	2,335,000	559,550	2,894,550
2035-2038	<u>1,120,000</u>	<u>121,250</u>	<u>1,241,250</u>
Total	<u>\$ 8,382,835</u>	<u>\$ 2,202,667</u>	<u>\$ 10,585,502</u>

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 7 - LONG-TERM DEBT OBLIGATIONS - Continued**

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Existing Leases:

<b>Description</b>	<b>Issue Date</b>	<b>Final Maturity</b>	<b>Interest Rate (%)</b>	<b>Balance</b>
Copier - Usherwood	5/1/2020	4/1/2025	1.910%	\$ 4,758
Copier - Kyocera	10/1/2022	9/1/2025	3.187%	2,418
Copier - ABS	6/1/2024	6/1/2027	3.190%	8,750
				<u>\$ 15,926</u>

The following is a summary of debt service requirements for lease liabilities at year-end June 30:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 9,596	\$ 322	\$ 9,918
2026	3,494	143	3,637
2027	<u>2,836</u>	<u>298</u>	<u>3,134</u>
Total	<u>\$ 15,926</u>	<u>\$ 763</u>	<u>\$ 16,689</u>

Interest on long-term debt for the year was composed of:

Interest Paid	\$ 483,115
Less: Interest Accrued in the Prior Year	(22,610)
Less: Amortization of Premium on Obligation	(35,365)
Plus: Interest Accrued in the Current Year	<u>21,443</u>
Total Interest on Long-Term Debt	<u>\$ 446,583</u>

**NOTE 8 - PENSION PLANS**

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**General Information**

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

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**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 8 - PENSION PLANS-** Continued

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**Teachers' Retirement System (TRS) Plan Description**

The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as, death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10 member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding the System, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSSTR Annual Comprehensive Financial Report which can be found on the System's website at [www.nystrs.org](http://www.nystrs.org).

**Employees' Retirement System (ERS) Plan Description**

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits, as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2024

NOTE 8 - PENSION PLANS - Continued

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**TRS Benefits Provided**

Benefits

The benefits provided to members of the System are established by New York State law and may be amended only by the Legislature with the Governor's approval. Benefit provisions vary depending on date of membership and are subdivided into the following six classes:

*Tier 1*

Members who last joined prior to July 1, 1973 are covered by the provisions of Article 11 of the Education Law.

*Tier 2*

Members who last joined on or after July 1, 1973 and prior to July 27, 1976 are covered by the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law (RSSL).

*Tier 3*

Members who last joined on or after July 27, 1976 and prior to September 1, 1983 are covered by the provisions of Article 14 and Article 15 of the RSSL.

*Tier 4*

Members who last joined on or after September 1, 1983 and prior to January 1, 2010 are covered by the provisions of Article 15 of the RSSL.

*Tier 5*

Members who joined on or after January 1, 2010 and prior to April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

*Tier 6*

Members who joined on or after April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 8 - PENSION PLANS - Continued**

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**TRS Benefits Provided - Continued**

Service Retirements

Tier 1 members are eligible, beginning at age 55, for a service retirement allowance of approximately 2% per year of credited service times final average salary.

Under Article 19 of the RSSL, eligible Tier 1 and 2 members can receive additional service credit of one-twelfth of a year for each year of retirement credit as of the date of retirement or death up to a maximum of 2 additional years.

Tiers 2 through 5 are eligible for the same but with the following limitations: (1) Tiers 2 through 4 members receive an unreduced benefit for retirement at age 62 or retirement at ages 55 through 61 with 30 years of service or reduced benefit for retirement at ages 55 through 61 with less than 30 years of service. (2) Tier 5 members receive an unreduced benefit for retirement at age 62 or retirement at ages 57 through 61 with 30 years of service. They receive a reduced benefit for retirement at age 55 and 56 regardless of service credit, or ages 57 through 61 with less than 30 years of service.

Tier 6 members are eligible for a service retirement allowance of 1.75% per year of credited service for the first 20 years of service plus 2% per year for years of service in excess of 20 years times final average salary. Tier 6 members receive an unreduced benefit for retirement at age 63. They receive a reduced benefit at ages 55-62 regardless of service credit.

Vested Benefits

Retirement benefits for Tiers 1-6 are now vested after 5 years of credited service. Prior to April 9, 2022, Tier 5 and 6 members to attain 10 years of state service credit to be vested. Benefits are payable at age 55 or greater with the limitations previously noted for service retirements.

Disability Retirement

Members are eligible for disability retirement benefits after 10 years of credited New York State service except for Tier 3 where disability retirement is permissible after 5 years of credited New York State service pursuant to the provisions of Article 14 of the RSSL. The Tier 3 benefit is integrated with Social Security.

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 8 - PENSION PLANS - Continued**

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**TRS Benefits Provided - Continued**

Death Benefits

Death benefits are paid to the beneficiary of active members who die in service and certain retirees. For active members, the benefit is based on final salary, age and the number of years of credited service. For retired members, it is also based on the number of years in retirement.

Prior and Military Service

After 2 years of membership, members of all tiers may claim and receive credit for prior New York State public or teaching service. Only Tier 1 and 2 members may, under certain conditions, claim out-of-state service. Certain members may also claim military service credit prior to or interrupting membership.

Tier Reinstatement

In accordance with Chapter 640 of the Laws of 1998, any active member who had a prior membership may elect to be reinstated to their original date and tier of membership.

Permanent Cost-of-Living Adjustment (COLA)

Section 532-a of the Education Law provides a permanent cost-of-living benefit to both current and future retired members. This benefit will be paid commencing September of each year to retired members who have attained age 62 and have been retired for 5 years or attained age 55 and have been retired for 10 years. Disability retirees must have been retired for 5 years, regardless of age, to be eligible. The annual COLA percentage is equal to 50% of the increase in the consumer price index, not to exceed 3% nor be lower than 1%. It is applied to the first eighteen thousand dollars of maximum annual benefit. The applicable percentage payable beginning September 2022 and 2021 is 3.0% and 1.4%, respectively. Members who retired prior to July 1, 1970 are eligible for a minimum benefit of seventeen thousand five hundred dollars for 35 years of credited full-time New York State service. Certain members who retire pursuant to the provisions of Article 14 of the RSSL are eligible for automatic cost-of-living supplementation based on the increase in the consumer price index with a maximum per annum increase of 3%.

NOTES TO AUDITED BASIC FINANCIAL STATEMENTS

June 30, 2024

NOTE 8 - PENSION PLANS – Continued

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**ERS Benefits Provided**

Benefits

The System provides retirement benefits as well as death and disability benefits.

*Tiers 1 and 2*

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have 5 years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the 3 highest consecutive years of employment. For Tier 1 members who joined on or after June 17, 1971, each year's compensation used in the final average salary calculation is limited to no more than 20 percent greater than the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous 2 years



**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 8 - PENSION PLANS – Continued**

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**ERS Benefits Provided - Continued**

*Tiers 3, 4, and 5*

Eligibility: Tier 3, 4 and 5 members, with the exception of those retiring under special retirement plans, must have 5 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with 5 or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the 3 highest consecutive years of employment. For Tier 3, 4 and 5 members, each year's compensation used in the final average salary is limited to no more than 10 percent greater than the average of the previous 2 years.

*Tier 6*

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have 5 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with 5 or more years of service can retire as early as age 55 with reduced benefits.

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 8 - PENSION PLANS - Continued**

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**ERS Benefits Provided - Continued**

Final average salary is the average of the wages earned in the 5 highest consecutive years of employment. For Tier 6 members, each year's compensation used in the final average salary calculation is limited to no more than 10 percent greater than the average of the previous 4 years.

Vested Benefits

Members who joined the System prior to January 1, 2010 need 5 years of service to be 100 percent vested. Members who joined on or after January 1, 2010 required 10 years of service credit to be 100 percent vested. As of April 9, 2022, legislation was passed that reduced the number of years of service credit from 10 years to 5 years. Therefore, all Members are vested when they reach 5 years of service credit.

Disability Retirement Benefits

Disability retirement benefits are available to ERS members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits. Eligibility, benefit amounts, and other rules such as any offset of other benefits depend on a member's tier, years of service, and plan.

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 8 - PENSION PLANS - Continued**

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**ERS Benefits Provided - Continued**

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all retirees who have attained age 62 and have been retired for five years; (ii) all retirees who have attained age 55 and have been retired for 10 years; (iii) all disability retirees, regard less of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one- half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible retiree as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor but cannot be less than 1 percent or exceed 3 percent.

**Funding Policies**

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year and each of the two preceding years. (The District chose to prepay the required contributions by December 15, 2023 and received an overall discount of \$1,638).

Required contributions for the current and two preceding years were:

	<b>NYSTRS</b>	<b>NYSERS</b>
2023-2024	\$ 474,740	\$ 225,143
2022-2023	428,965	184,529
2021-2022	443,308	227,927

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 8 - PENSION PLANS - Continued**

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

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

	<b>ERS</b>	<b>TRS</b>
Measurement Date	March 31, 2024	June 30, 2023
District's Proportionate Share of the Net Pension Asset (Liability)	\$ (850,304)	\$ (285,669)
District's Portion (%) of the Plan's Total Net Pension Asset (Liability)	0.0057749%	0.024980%
Change in Proportion (%) Since the Prior Measurement Date	0.0003706%	0.000271%

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 8 - PENSION PLANS - Continued**

**Pension Assets, Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued**

For the year ended June 30, 2024, the District's recognized pension expense of \$148,208 for ERS and \$375,224 for TRS. At June 30, 2024, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences Between Expected and Actual Experience	\$ 273,882	\$ 692,670	\$ 23,186	\$ 1,712
Changes of Assumptions	321,481	615,036	-	134,044
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	146,028	415,369	-
Changes in Proportion and Differences Between the District's Contributions and Proportionate Share of Contributions	71,178	19,016	9,217	26,035
District's Contributions Subsequent to the Measurement Date	74,292	443,904	-	-
<b>Total</b>	<b>\$ 740,833</b>	<b>\$ 1,916,654</b>	<b>\$ 447,772</b>	<b>\$ 161,791</b>

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension asset (liability) in the year ended June 30, 2025, if applicable. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense for the year ended as follows:

	ERS	TRS
2025	\$ (139,921)	\$ 121,987
2026	182,758	(145,287)
2027	260,657	1,144,564
2028	(84,725)	82,979
2029	-	65,577
Thereafter	-	41,139

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 8 - PENSION PLANS - Continued**

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**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.

Significant actuarial assumptions used in the valuations were as follows:

	<b>ERS</b>	<b>TRS</b>
Measurement Date	March 31, 2024	June 30, 2023
Actuarial Valuation Date	April 1, 2023	June 30, 2022
Interest Rate	5.9%	6.95%
Salary Scale	4.4%	1.3%
Decrement Tables	April 1, 2015 - March 31, 2020 System's Experience	July 1, 2015 - June 30, 2020 System's Experience
Inflation Rate	2.9%	2.4%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 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 July 1, 2015 – June 30, 2020 System’s experience with adjustments for mortality improvements based on Society of Actuaries’ Scale MP-2021.

For ERS, the actuarial assumptions used in the April 1, 2023 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

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

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 8 - PENSION PLANS - Continued**

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**Actuarial Assumptions - Continued**

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

	<b>ERS</b>	<b>TRS</b>
Measurement Date	March 31, 2024	June 30, 2023
Asset Type		
Domestic Equity	4.00%	6.80%
International Equity	6.65%	7.60%
Private Equity	7.25%	10.10%
Global Equity		7.20%
Real Estate	4.60%	6.30%
Opportunistic / Absolute Return Strategies Portfolio	5.25%	
Credit	5.40%	
Real Assets	5.79%	
Fixed Income	1.50%	
Cash	0.25%	0.30%
Private Debt		6.00%
Real Estate Debt		3.20%
Domestic Fixed Income Securities		2.20%
Global Bonds		1.60%
High-Yield Bonds		4.40%

**Discount Rate**

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

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 8- PENSION PLANS - Continued**

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

<u>ERS</u>	<u>1% Decrease (4.90%)</u>	<u>Current Assumption (5.90%)</u>	<u>1% Increase (6.90%)</u>
District's Proportionate Share of the Net Pension Asset (Liability)	\$ (2,673,444)	\$ (850,304)	\$ 672,395

<u>TRS</u>	<u>1% Decrease (5.95%)</u>	<u>Current Assumption (6.95%)</u>	<u>1% Increase (7.95%)</u>
District's Proportionate Share of the Net Pension Asset (Liability)	\$ (4,350,877)	\$ (285,669)	\$ 3,133,347

**Pension Plan Fiduciary Net Position**

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

	(In thousands)		
	<u>ERS</u>	<u>TRS</u>	<u>Total</u>
Measurement Date	March 31, 2024	June 30, 2023	
Employer's Total Pension Asset (Liability)	\$ (240,696,851)	\$ (138,365,122)	\$ (379,061,973)
Plan Fiduciary Net Position	<u>225,972,801</u>	<u>137,221,537</u>	<u>363,194,338</u>
Employer's Net Pension Asset (Liability)	<u>\$ (14,724,050)</u>	<u>\$ (1,143,585)</u>	<u>\$ (15,867,635)</u>
Ratio of Plan Fiduciary Net Position to the Employer's Total Pension Asset (Liability)	93.88%	99.17%	



**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 8 - PENSION PLANS - Continued**

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**Payables to the Pension Plan**

For ERS, employer contributions are paid annually based on the System’s fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2024 represent the projected employer contribution for the period of April 1, 2024 through June 30, 2024 based on paid ERS wages multiplied by the employer’s contribution rate, by tier. Accrued retirement contributions as of June 30, 2024 amounted to \$74,292. Employee contributions are remitted monthly.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2024 are paid to the System in September, October and November 2024 through a state aid intercept. Accrued retirement contributions as of June 30, 2024 represent employee and employer contributions for the fiscal year ended June 30, 2024 based on paid TRS wages multiplied by the employer’s contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2024 amounted to \$506,825.

**NOTE 9 - INTERFUND TRANSACTIONS - GOVERNMENTAL FUNDS**

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Interfund balances at June 30, 2024 are as follows:

	Interfund		Interfund	
	Receivables	Payables	Revenues	Expenditures
General	\$ 1,005,210	\$ 1,018,203	\$ 10,000	\$ 158,922
Special Aid	-	946,503	7,228	-
School Food Service	-	65,967	54,000	-
Debt Service	1,355,139	-	-	10,000
Scholarships and Awards	-	1,925	-	-
Extra Classroom Activity	255	-	-	-
Capital Projects -Main 2022	-	188,676	-	-
Capital Projects -Other Nonmajor	9,185	148,515	97,694	-
Total	<u>\$ 2,369,789</u>	<u>\$ 2,369,789</u>	<u>\$ 168,922</u>	<u>\$ 168,922</u>

The District typically transfers 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. The General Fund advanced funds to the Special Aid to provide temporary cash until New York State has reimbursed the grant programs. Transfers are made to the various Capital Projects Funds for funding of projects.

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 10 - FUND BALANCE EQUITY**

The following is a summary of the Governmental Funds fund balances of the District as of June 30, 2024:

Fund Balances (Deficits)	General	Capital Projects - Main 2022	Debt Service	Total Non- Major	Total Governmental Funds
Nonspendable					
Prepaid Expenditures	\$ 1,351	\$ -	\$ -	\$ -	\$ 1,351
Inventory	-	-	-	13,673	13,673
Restricted					
Employee Benefit Accrued					
Liability	407,708	-	-	-	407,708
Insurance	1,180,475	-	-	-	1,180,475
Retirement Contributions NYSERS	2,611,872	-	-	-	2,611,872
Retirement Contributions NYSTRS	402,000	-	-	-	402,000
Unemployment Insurance	149,434	-	-	-	149,434
Workers' Compensation	377,369	-	-	-	377,369
Debt Service Fund	-	-	1,628,366	-	1,628,366
Capital Project - Buses	-	-	-	327,835	327,835
Permanent Fund	-	-	-	136,484	136,484
Extra Classroom Activity Funds	-	-	-	39,501	39,501
Scholarships and Awards Fund	-	-	-	102,938	102,938
Assigned					
Designated for Next Year	1,345,293	-	-	-	1,345,293
School Food Service Fund	-	-	-	15,510	15,510
Unassigned					
General Fund	868,878	-	-	-	868,878
Capital Projects	-	(1,234,795)	-	(138,619)	(1,373,414)
<b>Total Governmental Fund Balances</b>	<b>\$ 7,344,380</b>	<b>\$ (1,234,795)</b>	<b>\$ 1,628,366</b>	<b>\$ 497,322</b>	<b>\$ 8,235,273</b>

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 11 – POSTEMPLOYMENT (HEALTH INSURANCE) BENEFITS**

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**General Information about the OPEB Plan**

*Plan Description* – The District’s defined benefit OPEB plan, provides OPEB for all permanent full-time employees of the District. The plan is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board, 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 in paragraph 4 of Statement 75.

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

*Employees Covered by Benefit Terms* – At July 1, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	102
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>88</u>
Total Covered Employees	<u><u>190</u></u>

The District provides a Self-Insured Traditional Indemnity Plan to eligible retirees and dependents through the St. Lawrence-Lewis Health Care Consortium (the Plan). Currently 102 retired employees have elected to participate and contribute health insurance payments under the District’s group plan. The Plan does issue a publicly available financial report.

**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 11 – POSTEMPLOYMENT (HEALTH INSURANCE)  
BENEFITS - Continued**

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**General Information about the OPEB Plan - Continued**

All active employees and retirees are subject to the following eligibility and contribution requirements:

Superintendent

- Must be at least age 55 with at least 5 years of service with the District and retire from the Employees' Retirement System or Teachers' Retirement System to be eligible for the District's post-employment health plan.
- Current active employees must contribute 13% of the individual premium.

Administrative, Teachers, CSEA

- Must be at least age 55 with at least 15 years of service with the District and retire from the Employees' Retirement System or Teachers' Retirement System to be eligible for the District's post-employment health plan.
- Current active employees must contribute the following of the individual premium; Administration 12%, Teachers 12%, & CSEA/Nonunion 5%.
- All spouses of retirees with at least 30 years of service must contribute the same percentage as the retiree of the difference between the individual and two-person premium amounts. All other spouses must contribute 100% of the difference between the individual and two-person premium amounts.
- Surviving spouses may continue coverage under the consortium's plan at 100% of the individual premium cost.

All retirees contribute the same percentage of the premium as at the time of their retirement.

Edwards-Knox CSD does not provide Medicare Part B premium reimbursements to Medicare eligible retirees or dependents.

The District recognizes the cost of providing health insurance annually as expenditures in the General Fund of the fund financial statements as payments are made. For the year ended June 30, 2024, the District recognized \$1,087,131 for its share of insurance premiums for currently enrolled retirees.

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 11 – POSTEMPLOYMENT (HEALTH INSURANCE)**

**BENEFITS - Continued**

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**Total OPEB Liability**

The District has obtained an actuarial valuation report as of June 30, 2024 which indicates that the total liability for other postemployment benefits is \$27,519,735 which is reflected in the Statement of Net Position. The OPEB liability was measured as of July 1, 2023 and was determined by an actuarial valuation as of July 1, 2023.

*Actuarial Assumptions and Other Inputs* – The total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

**Actuarial Methods and Assumptions**

Measurement Date	7/1/2023
Rate of Compensation Increase	3.25%
Discount Rate	3.65%

**Assumed Health Care Trend Rates at June 30**

Health Care Cost Trend Rate Assumed for Next Fiscal Year	7.80%
Rate to Which the Cost Trend Rate is Assumed to Decline (the Ultimate Trend Rate)	4.14%
Fiscal Year that the Rate Reaches the Ultimate Trend Rate	2094

**Additional Information**

Actuarial Cost Method	Entry Age Normal
Amortized Cost Method	Level Percentage
Amortized Period Remaining (in Years)	6.08
Method used to Determine Actuarial Value of Assets	N/A

The discount rate was based on the Bond Buyer Weekly 20-Bond GO Index as of July 1, 2023.

Mortality rates were based on the sex-distinct and job category-specific headcount weighted Pub-2010 Public Retirement Plans Mortality Tables for employees and healthy retirees, adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2022 – June 30, 2023.

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 11 – POSTEMPLOYMENT (HEALTH INSURANCE)**

**BENEFITS - Continued**

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**Changes in the Total OPEB Liability**

Balance at June 30, 2023	\$ 26,677,527
Changes for the Year	
Service Cost	724,820
Interest	954,464
Changes of Benefit Terms	(2,003,464)
Differences Between Expected and Actual Experience	867,926
Changes of Assumptions or Other Inputs	1,178,656
Benefit Payments	<u>(880,194)</u>
Net Changes	<u>842,208</u>
Balance at June 30, 2024	<u><u>\$ 27,519,735</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54 percent on July 1, 2022 to 3.65 percent on July 1, 2023.

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate* – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65 percent) or 1 percentage point higher (4.65 percent) than the current discount rate:

	<b>1% Decrease (2.65%)</b>	<b>Discount Rate (3.65%)</b>	<b>1% Increase (4.65%)</b>
Total OPEB Liability	<u>\$ 32,415,593</u>	<u>\$ 27,519,735</u>	<u>\$ 23,639,891</u>

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 11 – POSTEMPLOYMENT (HEALTH INSURANCE)  
BENEFITS - Continued**

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**Changes in the Total OPEB Liability – Continued**

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates* – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (trend decreasing to 3.14 percent) or 1 percentage point higher (trend decreasing to 5.14 percent) than the current healthcare cost trend rate:

	<b>1% Decrease (Trend Less 1% Decreasing to 3.14%)</b>	<b>Healthcare Cost Trend Rates (Trend Decreasing to 4.14%)</b>	<b>1% Increase (Trend Plus 1% Decreasing to 5.14%)</b>
Total OPEB Liability	<u>\$ 23,312,968</u>	<u>\$ 27,519,735</u>	<u>\$ 32,985,835</u>

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

For the year ended June 30, 2024, the District recognized OPEB expense of \$321,138. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ 1,750,782	\$ -
Changes of Assumptions or Other Inputs	3,800,204	2,522,805
Benefit Payments Subsequent to the Measurement Date	<u>948,520</u>	<u>-</u>
	<u>\$ 6,499,506</u>	<u>\$ 2,522,805</u>

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 11 – POSTEMPLOYMENT (HEALTH INSURANCE)**

**BENEFITS - Continued**

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

District benefit payments subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	
2025	\$ 1,729,160
2026	1,173,071
2027	236,484
2028	(133,863)
2029	(3,599)
Thereafter	<u>26,928</u>
	<u>\$ 3,028,181</u>

**NOTE 12 - RISK MANAGEMENT**

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**General**

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.

**Pooled Non-Risk-Retained**

The District participates in the St. Lawrence – Lewis County School District’s Healthcare Plan (Plan), a non-risk-retained public entity risk pool for its employee health and accident insurance coverage. The pool is operated for the benefit of 18 individual governmental units located within the pool’s geographic area and is considered a self-sustaining risk pool that will provide coverage for its members up to \$1,000,000 per insured event. The pool obtains independent coverage for insured events in excess of the \$1,000,000 limit, and the District has essentially transferred all related risk to the pool.

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**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 12 - RISK MANAGEMENT - Continued**

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**Pooled Non-Risk-Retained - Continued**

Plan members are subject to a 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. 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 expense in the periods in which they are made.

The Plan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained in writing: St. Lawrence-Lewis Counties School District Employee Medical Plan, Post Office Box 697, Canton, New York 13617.

The District participates in the St. Lawrence-Lewis Counties School District Employees Workers' Compensation Plan, a risk-sharing pool, to ensure Workers' Compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law to finance liability and risks related to Workers' Compensation claims. The District share of the liability for unbilled and open claims is \$0.

**NOTE 13 - COMMITMENTS AND CONTINGENCIES**

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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.

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**NOTES TO AUDITED BASIC FINANCIAL STATEMENTS**

June 30, 2024

**NOTE 13 - COMMITMENTS AND CONTINGENCIES – Continued**

The District has been served with Notices of Claim brought pursuant to the Child’s Victims Act. If the matter proceeds to trial, there is a potential that the District may be required to provide a settlement for which they do not have insurance coverage. The District intends to defend itself vigorously against this suit, however, no predictions have been made by management as of the report date as to the outcome or potential liability. The likelihood is remote that any such claims or proceedings will have a material adverse effect on the District’s financial position or results of operations at this time.

**NOTE 14– DONOR-RESTRICTED ENDOWMENTS**

The District administers endowment funds, which are restricted by the donor for the purposes of Scholarships.

Donor-restricted endowments are reported at fair value.

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.

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS  
LAST SEVEN FISCAL YEARS**

Ended June 30, 2024

<b>Total OPEB Liability</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Service Cost	\$ 724,820	\$ 974,403	\$ 959,023	\$ 655,971	\$ 599,192	\$ 665,983	\$ 1,553,777
Interest	954,464	635,426	701,736	859,464	739,916	695,469	1,191,155
Changes of Benefit Terms	(2,003,464)	-	(3,415,670)	-	-	-	(9,724,471)
Difference between Expected and Actual Experience	867,926	-	1,197,496	-	2,097,581	-	(5,283,390)
Changes in Assumptions or Other Inputs	1,178,656	(3,175,268)	(583,176)	6,277,784	2,678,741	(913,037)	(8,684,398)
Benefit Payments	(880,194)	(950,928)	(918,599)	(880,559)	(590,179)	(571,702)	(710,676)
<b>Net Change in Total OPEB Liability</b>	<u>842,208</u>	<u>(2,516,367)</u>	<u>(2,059,190)</u>	<u>6,912,660</u>	<u>5,525,251</u>	<u>(123,287)</u>	<u>(21,658,003)</u>
<b>Total OPEB Liability - Beginning</b>	<u>26,677,527</u>	<u>29,193,894</u>	<u>31,253,084</u>	<u>24,340,424</u>	<u>18,815,173</u>	<u>18,938,460</u>	<u>40,596,463</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 27,519,735</u>	<u>\$ 26,677,527</u>	<u>\$ 29,193,894</u>	<u>\$ 31,253,084</u>	<u>\$ 24,340,424</u>	<u>\$ 18,815,173</u>	<u>\$ 18,938,460</u>
<b>Covered Payroll</b>	\$ 6,000,392	\$ 5,605,150	\$ 5,787,968	N/A	\$ 4,773,175	\$ 4,589,933	\$ 5,449,832
<b>Total OPEB Liability as a Percentage of Covered Payroll</b>	458.63%	475.95%	504.39%	N/A	509.94%	409.92%	347.51%

10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

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

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
- BUDGET (NON-GAAP) BASIS AND ACTUAL - GENERAL FUND**

Year Ended June 30, 2024

	Original Budget	Final Budget
<b>REVENUES</b>		
Local Sources		
Real Property Taxes	\$ 2,005,165	\$ 2,005,165
Other Tax Items	4,908	4,908
Charges for Services	91,000	91,000
Use of Money and Property	25,000	25,000
Sale of Property and Compensation for Loss	-	-
Miscellaneous	25,000	25,000
Total Local Sources	<u>2,151,073</u>	<u>2,151,073</u>
State Sources	<u>13,165,425</u>	<u>13,165,425</u>
Total Revenues	<u>15,316,498</u>	<u>15,316,498</u>
<b>OTHER FINANCING SOURCES</b>		
Appropriated Reserves	570,350	570,350
Transfers From Other Funds	10,000	10,000
Total Revenues and Other Financing Sources	<u>15,896,848</u>	<u>15,896,848</u>
 <b>EXPENDITURES</b>		
General Support		
Board of Education	21,397	28,357
Central Administration	205,194	216,539
Finance	199,522	204,680
Staff	29,900	28,726
Central Services	1,143,878	1,207,878
Special Items	732,694	721,195
Total General Support	<u>2,332,585</u>	<u>2,407,375</u>
Instruction		
Instruction, Administration and Improvement	349,639	362,787
Teaching - Regular School	3,075,000	3,009,537
Programs for Children with Handicapping Conditions	1,965,000	1,965,001
Occupational Education	495,800	499,810
Teaching - Special School	14,000	12,267
Instructional Media	618,774	622,188
Pupil Services	615,982	627,418
Total Instruction	<u>7,134,195</u>	<u>7,099,008</u>
Pupil Transportation	1,009,737	1,050,992
Community Services	-	9,913
Employee Benefits	4,588,600	4,491,796
Debt Service	1,720,725	1,726,758
Total Expenditures	<u>16,785,842</u>	<u>16,785,842</u>
<b>OTHER FINANCING USES</b>		
Operating Transfers to Other Funds	194,000	194,000
Total Expenditures and Other Financing Uses	<u>16,979,842</u>	<u>16,979,842</u>
Net Change in Fund Balance	(1,082,994)	(1,082,994)
Fund Balances - Beginning	<u>7,513,021</u>	<u>7,513,021</u>
Fund Balances - End	<u>\$ 6,430,027</u>	<u>\$ 6,430,027</u>

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

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

<b>Actual</b>	<b>Final Budget Variance With Actual</b>
\$ 1,766,314	\$ (238,851)
243,773	238,865
172,479	81,479
334,187	309,187
4,148	4,148
218,882	193,882
<u>2,739,783</u>	<u>588,710</u>
13,165,244	(181)
<u>15,905,027</u>	<u>588,529</u>
-	(570,350)
10,000	-
<u>15,915,027</u>	<u>\$ 18,179</u>

	<b>Year-End Encumbrances</b>	<b>Final Budget Variance With Actual And Encumbrances</b>
22,796	\$ -	\$ 5,561
216,539	-	-
203,677	-	1,003
23,522	-	5,204
1,148,928	-	58,950
592,857	-	128,338
<u>2,208,319</u>	<u>-</u>	<u>199,056</u>
344,247	-	18,540
2,852,781	-	156,756
1,725,422	-	239,579
498,567	-	1,243
3,913	-	8,354
590,193	-	31,995
575,664	-	51,754
<u>6,590,787</u>	<u>-</u>	<u>508,221</u>
998,007	-	52,985
9,904	-	9
4,382,975	-	108,821
1,734,754	-	(7,996)
<u>15,924,746</u>	<u>-</u>	<u>861,096</u>
158,922	-	35,078
<u>16,083,668</u>	<u>\$ -</u>	<u>\$ 896,174</u>
(168,641)		
<u>7,513,021</u>		
<u>\$ 7,344,380</u>		

**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 independent auditor's report.

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY) - NYSLRS PENSION PLAN  
LAST NINE FISCAL YEARS**

Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Teachers' Retirement System (TRS)</b>									
District's Proportion of the Net Pension Asset (Liability)	0.024980%	0.024709%	0.024620%	0.024418%	0.024200%	0.024910%	0.025109%	0.025116%	0.024733%
District's Proportionate Share of the Net Pension Asset (Liability)	\$ (285,669)	\$ (474,131)	\$ 4,266,387	\$ 674,737	\$ (628,709)	\$ 450,444	\$ 190,850	\$ (268,998)	\$ 2,568,941
District's Covered Payroll	\$ 4,782,243	\$ 4,523,555	\$ 4,178,781	\$ 4,144,520	\$ 4,044,682	\$ 4,408,949	\$ 4,109,052	\$ 3,875,573	\$ 3,875,573
District's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of its Covered Payroll	5.97%	10.48%	102.10%	16.28%	15.54%	10.22%	4.64%	6.94%	66.29%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset (Liability)	99.17%	98.57%	113.25%	97.76%	102.20%	101.53%	100.66%	99.01%	110.46%
<b>Employees' Retirement System (ERS)</b>									
District's Proportion of the Net Pension Asset (Liability)	0.0057749%	0.0054043%	0.0047291%	0.0045478%	0.4902300%	0.4885800%	0.0049291%	0.0049305%	0.0049292%
District's Proportionate Share of the Net Pension Asset (Liability)	\$ (850,304)	\$ (1,158,910)	\$ 386,584	\$ (4,528)	\$ (1,298,156)	\$ (346,177)	\$ (159,083)	\$ (463,283)	\$ (791,155)
District's Covered Payroll	\$ 1,877,449	\$ 1,720,160	\$ 1,537,246	\$ 1,569,214	\$ 1,603,384	\$ 1,637,523	\$ 1,403,553	\$ 1,362,829	\$ 1,369,537
District's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of its Covered Payroll	45.29%	67.37%	25.15%	0.29%	80.96%	21.14%	11.33%	33.99%	57.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset (Liability)	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

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

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS - NYSLRS PENSION PLAN**

**LAST NINE FISCAL YEARS**

Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Teachers' Retirement System (TRS)</b>									
Contractually Required Contribution	\$ 474,740	\$ 428,965	\$ 443,308	\$ 398,238	\$ 401,806	\$ 462,152	\$ 432,077	\$ 481,581	\$ 513,901
Contributions in Relation to the Contractually Required Contribution	474,740	428,965	443,308	398,238	401,806	462,152	432,077	481,581	513,901
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 4,782,243	\$ 4,523,555	\$ 4,178,781	\$ 4,144,520	\$ 4,044,682	\$ 4,408,949	\$ 4,109,052	\$ 3,875,573	\$ 3,875,573
Contributions as a Percentage of Covered Payroll	9.93%	9.48%	10.61%	9.61%	9.93%	10.48%	10.52%	12.43%	13.26%
<b>Employees' Retirement System (ERS)</b>									
Contractually Required Contribution	\$ 225,143	\$ 184,529	\$ 227,927	\$ 205,575	\$ 211,543	\$ 207,038	\$ 196,398	\$ 198,584	\$ 199,784
Contributions in Relation to the Contractually Required Contribution	225,143	184,529	227,927	205,575	211,543	207,038	196,398	198,584	199,784
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 1,877,449	\$ 1,720,160	\$ 1,537,246	\$ 1,569,214	\$ 1,603,384	\$ 1,637,523	\$ 1,403,553	\$ 1,362,829	\$ 1,369,537
Contributions as a Percentage of Covered Payroll	11.99%	10.73%	14.83%	13.10%	13.19%	12.64%	13.99%	14.57%	14.59%

10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

SUPPLEMENTARY INFORMATION

**COMBINED BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS**

June 30, 2024

	<u>School Food Service</u>	<u>Extra Classroom Activity</u>	<u>Scholarships and Awards</u>
<b>ASSETS</b>			
Cash and Cash Equivalents			
Unrestricted	\$ 55,286	\$ -	\$ -
Restricted	-	39,260	104,863
Receivables			
Due From Other Funds	-	255	-
State and Federal Aid	31,201	-	-
Inventories	13,673	-	-
<b>TOTAL ASSETS</b>	<u>\$ 100,160</u>	<u>\$ 39,515</u>	<u>\$ 104,863</u>
<b>LIABILITIES</b>			
Payables			
Accrued Liabilities	\$ 4,515	\$ -	\$ -
Due to Other Funds	65,967	-	1,925
Due to Other Governments	495	14	-
Total Liabilities	<u>70,977</u>	<u>14</u>	<u>1,925</u>
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable	13,673	-	-
Restricted	-	39,501	102,938
Assigned	15,510	-	-
Unassigned	-	-	-
Total Fund Balances (Deficits)	<u>29,183</u>	<u>39,501</u>	<u>102,938</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<u>\$ 100,160</u>	<u>\$ 39,515</u>	<u>\$ 104,863</u>



**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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<u>Capital Projects - Capital Outlay</u>	<u>Capital Projects - Bus Purchase</u>	<u>Capital Projects - Other</u>	<u>Permanent Fund</u>	<u>Total Non-Major</u>
\$ -	\$ -	\$ -	\$ -	\$ 55,286
-	327,835	-	136,484	608,442
-	-	9,185	-	9,440
-	-	711	-	31,912
-	-	-	-	13,673
<u>\$ -</u>	<u>\$ 327,835</u>	<u>\$ 9,896</u>	<u>\$ 136,484</u>	<u>\$ 718,753</u>
\$ -	\$ -	\$ -	\$ -	\$ 4,515
-	-	148,515	-	216,407
-	-	-	-	509
<u>-</u>	<u>-</u>	<u>148,515</u>	<u>-</u>	<u>221,431</u>
-	-	-	-	13,673
-	327,835	-	136,484	606,758
-	-	-	-	15,510
-	-	(138,619)	-	(138,619)
<u>-</u>	<u>327,835</u>	<u>(138,619)</u>	<u>136,484</u>	<u>497,322</u>
<u>\$ -</u>	<u>\$ 327,835</u>	<u>\$ 9,896</u>	<u>\$ 136,484</u>	<u>\$ 718,753</u>

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

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**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS**  
Year Ended June 30, 2024

	<u>School Food Service</u>	<u>Extra Classroom Activity</u>	<u>Scholarships and Awards</u>
<b>REVENUES</b>			
Use of Money and Property	\$ 7	\$ -	\$ 5,366
State Sources	65,592	-	-
Federal Sources	372,000	-	-
Surplus Food	30,924	-	-
Sales - School Food Service	53,765	-	-
Miscellaneous	-	68,088	-
Total Revenues	<u>522,288</u>	<u>68,088</u>	<u>5,366</u>
<b>EXPENDITURES</b>			
Employee Benefits	99,442	-	-
General Support	153,348	-	-
Cost of Sales – School Food Service	323,329	-	-
Other Expenditures	-	68,305	2,315
Capital Outlay	-	-	-
Total Expenditures	<u>576,119</u>	<u>68,305</u>	<u>2,315</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(53,831)</u>	<u>(217)</u>	<u>3,051</u>
<b>OTHER FINANCING SOURCES</b>			
Proceeds from Debt	-	-	-
Operating Transfers In	54,000	-	-
Total Other Financing Sources	<u>54,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances (Deficits)	169	(217)	3,051
Fund Balances (Deficits) - Beginning of Year	<u>29,014</u>	<u>39,718</u>	<u>99,887</u>
Fund Balances (Deficits) - End of Year	<u>\$ 29,183</u>	<u>\$ 39,501</u>	<u>\$ 102,938</u>

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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<u>Capital Projects - Capital Outlay</u>	<u>Capital Projects - Bus Purchase</u>	<u>Capital Projects - Other</u>	<u>Permanent Fund</u>	<u>Total Non-Major</u>
\$ -	\$ -	\$ -	\$ 6,949	\$ 12,322
-	-	-	-	65,592
-	-	-	-	372,000
-	-	-	-	30,924
-	-	-	-	53,765
-	-	-	-	68,088
<u>-</u>	<u>-</u>	<u>-</u>	<u>6,949</u>	<u>602,691</u>
-	-	-	-	99,442
-	-	-	-	153,348
-	-	-	-	323,329
-	-	-	-	70,620
<u>97,694</u>	<u>-</u>	<u>9,011</u>	<u>-</u>	<u>106,705</u>
<u>97,694</u>	<u>-</u>	<u>9,011</u>	<u>-</u>	<u>753,444</u>
<u>(97,694)</u>	<u>-</u>	<u>(9,011)</u>	<u>6,949</u>	<u>(150,753)</u>
-	327,835	9,011	-	336,846
<u>97,694</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>151,694</u>
<u>97,694</u>	<u>327,835</u>	<u>9,011</u>	<u>-</u>	<u>151,694</u>
-	327,835	-	6,949	337,787
-	-	(138,619)	129,535	159,535
<u>\$ -</u>	<u>\$ 327,835</u>	<u>\$ (138,619)</u>	<u>\$ 136,484</u>	<u>\$ 497,322</u>

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

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND  
THE REAL PROPERTY TAX LIMIT - GENERAL FUND**

June 30, 2024

**CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET**

Adopted Budget	\$ 16,979,842
Add: Prior Year's Encumbrances	<u>                  -</u>
Original Budget	16,979,842
Budget Revision	<u>                  -</u>
Final Budget	<u><u>\$ 16,979,842</u></u>

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

2024-2025 Voter Approved Expenditure Budget	<u>\$ 17,849,727</u>
Maximum Allowed 4% of 2024-2025 Budget	<u><u>\$ 713,989</u></u>
General Fund Balance Subject to Section 1318 of Real Property Tax Law	
Unrestricted Fund Balance:	
Assigned Fund Balance	\$ 1,345,293
Unassigned Fund Balance	<u>868,878</u>
Total Unrestricted Fund Balance	<u>2,214,171</u>
Less:	
Appropriated Fund Balance	1,345,293
Encumbrances Included in Assigned Fund Balance	<u>                  -</u>
Total Adjustments	<u>1,345,293</u>
General Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 868,878</u></u>
Actual Percentage	<u><u>4.87%</u></u>

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

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF CAPITAL PROJECTS FUND - PROJECT EXPENDITURES AND FINANCING RESOURCES**

Year Ended June 30, 2024

PROJECT TITLE	Expenditures			Methods of Financing				Fund Balance (Deficit) 6/30/2024				
	Original Appropriation	Revised Appropriation	Prior Year	Current Year	Total	Unexpended Balance	BANS Redeemed from Appropriations		Proceeds Of			
									Obligations	State Aid	Local Sources	Total
Central Building & Garage	\$ 9,100,000	\$ 9,100,000	\$ 9,235,955	\$ -	\$ 9,235,955	\$ (135,955)	\$ -	\$ 8,555,000	\$ 402,613	\$ 139,723	\$ 9,097,336	\$ (138,619)
Main Building '22	6,800,000	6,800,000	233,176	2,006,619	2,239,795	4,560,205	5,000	-	-	1,000,000	1,005,000	(1,234,795)
Capital Outlay	100,000	97,694	-	97,694	97,694	-	-	-	-	97,694	97,694	-
Bus Purchase	327,835	327,835	-	-	-	327,835	-	327,835	-	-	327,835	327,835
Smart School Bond Act	330,000	330,000	11,786	-	11,786	198,214	-	-	11,786	-	11,786	-
<b>Totals</b>	<b>\$ 16,657,835</b>	<b>\$ 16,655,529</b>	<b>\$ 9,600,917</b>	<b>\$ 2,104,313</b>	<b>\$ 11,705,230</b>	<b>\$ 4,950,299</b>	<b>\$ 5,000</b>	<b>\$ 8,882,835</b>	<b>\$ 534,399</b>	<b>\$ 1,237,417</b>	<b>\$ 10,659,651</b>	<b>\$ (1,045,579)</b>

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

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**NET INVESTMENT IN CAPITAL ASSETS**

Year Ended June 30, 2024

Capital Assets, Net		\$ 28,025,044
Deduct:		
Bond Anticipation Note	\$ 1,495,000	
Less: Unspent Bond Proceeds	(260,205)	
Premium on Obligation - Serial Bond	459,748	
Short-Term Portion of Bonds Payable	1,257,835	
Long-Term Portion of Bonds Payable	7,125,000	
Less: Unspent Bond Proceeds	(327,835)	
Short-Term Portion of Lease Liability	9,596	
Long-Term Portion of Lease Liability	<u>6,330</u>	<u>9,765,469</u>
Net Investment in Capital Assets		<u><u>\$ 18,259,575</u></u>

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

**FEDERAL AWARD PROGRAM INFORMATION**

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

---

**TO THE BOARD OF EDUCATION  
EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund, and the aggregate remaining fund information of the Edwards-Knox Central School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Edwards-Knox Central School District’s basic financial statements and have issued our report thereon dated October 14, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Edwards-Knox 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 Edwards-Knox Central School District’s internal control. Accordingly, we do not express an opinion of the effectiveness of Edwards-Knox 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.



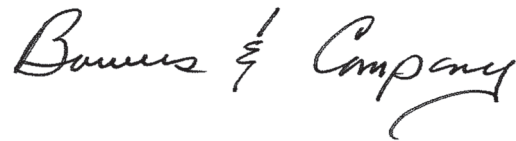
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

A handwritten signature in cursive script that reads "Bowers & Company". The signature is written in black ink and is positioned to the right of the main text block.

Watertown, New York  
October 14, 2024

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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**TO THE BOARD OF EDUCATION  
EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited Edwards-Knox Central School District's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Edwards-Knox Central School District's major federal programs for the year ended June 30, 2024. Edwards-Knox Central School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Edwards-Knox Central School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Edwards-Knox Central School District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Edwards-Knox Central School District's compliance with the compliance requirements referred to above.

## **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Edwards-Knox Central School District's federal programs.

## **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Edwards-Knox Central School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Edwards-Knox Central School District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Edwards-Knox Central School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Edwards-Knox Central School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Edwards-Knox Central School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

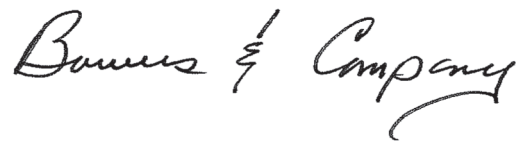
## Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

The image shows a handwritten signature in cursive script that reads "Bowens & Company". The signature is written in dark ink and is positioned to the right of the date and location text.

Watertown, New York  
October 14, 2024

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended June 30, 2024

<b>FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE</b>	<b>Assistance Listing Number</b>	<b>Agency or Pass-Through Number</b>	<b>Total Federal Expenditures</b>
<b><u>U.S. Department of Education</u></b>			
<b>Passed-Through NYS Education Department:</b>			
Title I Grants to Local Educational Agencies	84.010A	0021-24-2665	\$ 180,515
Special Education Cluster:			
Special Education – Grants to States (IDEA, Part B)	84.027A	0032-24-0803	170,166
Special Education – Preschool Grants (IDEA Preschool)	84.173A	0033-24-0803	6,552
Total Special Education Cluster			176,718
Education Stabilization Fund:			
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	5880-21-2665	412,917
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	5884-21-2665	382,078
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	5882-21-2665	8,063
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	5883-21-2665	18,476
Total Education Stabilization Fund			821,534
Student Support and Academic Enrichment Program	84.424A	0204-24-2665	15,350
Supporting Effective Instruction State Grants	84.367A	0147-24-2665	18,368
Total Passed-Through NYS Education Department			1,212,485
<b>Direct Program:</b>			
Rural Education	84.358A		34,646
Total Direct Programs from U.S. Department of Education			34,646
Total U.S. Department of Education			1,247,131
Subtotal to Next Page			\$ 1,247,131

See paragraph on supplementary schedules included in independent auditor’s report and accompanying notes to schedule of expenditures of federal awards.

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CONTINUED**

Year Ended June 30, 2024

<b>FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE</b>	<b>Assistance Listing Number</b>	<b>Agency or Pass-Through Number</b>	<b>Total Federal Expenditures</b>
Subtotal from Previous Page			\$ 1,247,131
 <b><u>U. S. Department of Agriculture</u></b>			
<b>Passed-Through NYS Education Department:</b>			
Local Food for Schools Cooperative Agreement Program	10.185		4,975
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution)			
National School Lunch Program	10.555		7,432
Fresh Fruit and Vegetable Program	10.582		23,492
Non-Cash Assistance Subtotal			30,924
Cash Assistance			
School Breakfast Program	10.553		96,048
COVID-19: Supply Chain Assistance Grant	10.555		20,731
National School Lunch Program	10.555		241,574
Summer Food Service Program for Children	10.559		8,672
Cash Assistance Subtotal			367,025
Total Child Nutrition Cluster			397,949
Total Passed Through NYS Education Department			402,924
Total U.S. Department of Agriculture			402,924
Total Federal Assistance			\$ 1,650,055

See paragraph on supplementary schedules included in independent auditor’s report and accompanying notes to schedule of expenditures of federal awards.

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

June 30, 2024

**NOTE 1 – BASIS OF PRESENTATION**

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The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) presents the activity of federal award programs administered by the District, which is described in Note 1 to the District’s accompanying financial statements, using the modified accrual basis of accounting. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the District’s financial statements. Federal awards that are included in the Schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies.

The information presented in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance).

**NOTE 2 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES**

---

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District’s financial reporting system.

The federal expenditures are recognized under the Uniform Guidance.

The District has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance. Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source of the data presented.

Matching costs (the District’s share of certain program costs) are not included in the reported expenditures.

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program.

**NOTE 3 – SUBRECIPIENTS**

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No amounts were provided to subrecipients.

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

June 30, 2024

**NOTE 4 – SCOPE OF AUDIT**

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The District is an independent municipal corporation. All federal grant operations of the District are included in the scope of the single audit.

**NOTE 5 – OTHER DISCLOSURES**

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No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds is covered by the District's casualty insurance policies.

There were no loans or loan guarantees outstanding at year-end.

**NOTE 6 – NON-MONETARY FEDERAL PROGRAM**

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The District is the recipient of federal award programs that do not result in cash receipts or disbursements. The District was granted \$7,432 of commodities under the National School Lunch Program for Children (Assistance Listing 10.555) and \$23,492 of commodities under the Fresh Fruit and Vegetable Program (Assistance Listing 10.582).



**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

June 30, 2024

**NOTE A – SUMMARY OF AUDITOR’S RESULTS**

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1. The auditor’s report expresses an unmodified opinion on the basic financial statements of Edwards-Knox Central School District.
2. No significant deficiencies or material weaknesses were disclosed during the audit of the basic financial statements of Edwards-Knox Central School District.
3. No instances of noncompliance material to the financial statements of Edwards-Knox Central School District, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over major programs were disclosed during the audit of the major federal award programs of Edwards-Knox Central School District.
5. The auditor’s report on compliance for the major federal award programs for Edwards-Knox Central School District expresses an unmodified opinion on all major federal programs.
6. There were no audit findings required to be reported in accordance with 2 CFR section 200.516(a) related to the major federal award programs for Edwards-Knox Central School District.
7. The programs tested as major programs includes:
  - U.S. Department of Education
  
  - Passed-Through NYS Education Department
  - COVID-19 American Rescue Plan - Elementary and Secondary
  - School Emergency Relief 84.425U
8. The threshold for distinguishing between Types A and B programs was \$750,000.
9. Edwards-Knox Central School District was determined to be a low-risk auditee.

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

June 30, 2024

**NOTE B – FINDINGS - FINANCIAL STATEMENT AUDIT**

There were no findings to report.

**NOTE C – FINDINGS AND QUESTIONED COSTS – MAJOR  
FEDERAL AWARD PROGRAMS AUDIT**

There were no findings to report.

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

June 30, 2024

**NOTE A – FINDINGS – FINANCIAL STATEMENT AUDIT**

**Finding Control Number: 2023-001**

*Instances of Noncompliance with Laws or Regulations*

Surplus Unexpended Funds in Excess of 4% Limitation

**Criteria**

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds, excluding the reserves for tax reduction and insurance recoveries, the District can retain to no more than 4% of the subsequent year's budgeted appropriations. Amounts appropriated for the subsequent year, encumbrances, nonspendable and restricted balances are also excluded for the 4% limitation.

**Condition**

The District exceeded the 4% limitation of unexpended surplus funds within the General Fund by \$1,760,153 during the fiscal year.

**Views of Responsible Officials and Planned Corrective Actions**

The District will continue to monitor fund balance throughout the year and take appropriate steps to ensure compliance with the Real Property Tax Law §1318 that prohibits excess fund balance at the fiscal year end. The District will look to establish and fund a tax certiorari reserve. In addition, the District will look to continue to fund the ERS sub-fund for TRS contributions. The District also plans to absorb some of the programming currently funded with federal stimulus funding.

**Status**

No similar findings were noted in the 2024 audit.

**NOTE B – FINDINGS AND QUESTIONED COSTS –  
MAJOR FEDERAL AWARD PROGRAMS AUDIT**

There were no findings to report.

**EXTRA CLASSROOM ACTIVITY FUNDS**

## **INDEPENDENT AUDITOR’S REPORT ON EXTRA CLASSROOM ACTIVITY FUNDS**

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### **THE BOARD OF EDUCATION EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

We have audited the accompanying statement of cash receipts and disbursements of the Extra Classroom Activity Funds of Edwards-Knox Central School District for the year ended June 30, 2024 and the related note to the financial statements.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the statement of cash receipts and disbursements of the Extra Classroom Activity Funds of Edwards-Knox Central School District for the year then ended June 30, 2024, in accordance with cash basis of accounting described in Note 1.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Edwards-Knox 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 opinion.

#### **Emphasis of Matter – Basis of Accounting**

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. This financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

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

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error.

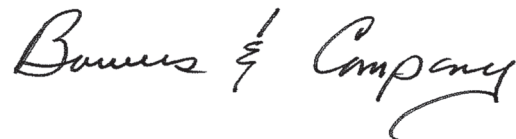
## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 the cash basis of accounting as described in Note 1, 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 auditing standards generally accepted in the United States of America and Appendix E of the Minimum Program for Audit of Financial Records of New York State School Districts, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, 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 statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Edwards-Knox 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 the Edwards-Knox 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.

The image shows a handwritten signature in black ink that reads "Bowers & Company". The signature is written in a cursive, flowing style.

Watertown, New York  
October 14 2024

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**EXTRA CLASSROOM ACTIVITY FUNDS - STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**

Year Ended June 30, 2024

	<b>Cash Balances 7/1/2023</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Cash Balances 6/30/2024</b>
Class of:				
2021	\$ (255)	\$ -	\$ -	\$ (255)
2024	16,391	24,001	40,115	277
2025	5,957	17,411	7,464	15,904
2026	3,276	4,004	2,745	4,535
2027	-	6,697	3,588	3,109
Student Council	840	190	-	1,030
FFA	4,416	4,257	6,134	2,539
Stage Musical	8,505	6,271	5,319	9,457
After School Art	307	47	-	354
Yearbook	32	4,890	2,699	2,223
Speech and Debate	68	65	60	73
Science National Honor Society	181	-	181	-
NYS Sales Tax	266	-	252	14
<b>Total</b>	<u>\$ 39,984</u>	<u>\$ 67,833</u>	<u>\$ 68,557</u>	<u>\$ 39,260</u>

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See extra classroom activity funds - note to financial statement.

**EDWARDS-KNOX CENTRAL SCHOOL DISTRICT**

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**EXTRA CLASSROOM ACTIVITY FUNDS - NOTE TO FINANCIAL STATEMENT**

June 30, 2024

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

The Extra Classroom Activity Funds of Edwards-Knox Central School District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extra Classroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management.

The accounts of the Extra Classroom Activity Funds of Edwards-Knox Central School District are maintained on a cash basis and the Statement of Cash Receipts and Disbursements reflects only cash received and disbursed. Therefore, receivables and payables, inventories, long-lived assets and accrued income and expenses, which would be recognized under generally accepted accounting principles and, which may be material in amount, are not recognized in the accompanying financial statement.



October 14, 2024

To the President and Members  
of the Board of Education of the  
Edwards-Knox Central School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Edwards-Knox Central School District for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, if applicable, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 17, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Edwards-Knox Central School District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2024. We noted no transactions entered into by Edwards-Knox Central School District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

Management's estimate of the depreciation is based on economic useful lives of capital asset classes.

Management's estimate of present value of right to use leased assets, lease receivables, and lease liability is based on the discount rate or implicit interest rate within the agreements in accordance with GASB Statement No. 87, *Leases*.

Management estimates actuarial assumptions that are used to determine pension asset (liabilities) and annual pension cost for the year in accordance with GASB Statement No. 68.

Management estimates actuarial assumptions that are used to determine annual postretirement cost for the year in accordance with GASB Statement No. 75.

We evaluated the methods, and assumptions, and data used to develop the estimated useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached material misstatements detected as a result of audit procedures were corrected by management.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated October 14, 2024.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Edwards-Knox Central School District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Edwards-Knox Central School District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to *Management's Discussion and Analysis, the Schedule of Changes in the District's Total OPEB Liability and Related Ratios, the Schedule of Revenue, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund, the Schedule of the District's Proportionate Share of the Net Pension Asset (Liability) – NYSLRS Pension Plan, and Schedule of District's Contributions – NYSLRS Pension Plan*, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the *Schedule of Change from Adopted Budget to Final Budget and Real Property Tax Limit – General Fund, Schedule of Capital Projects Fund – Project Expenditures and Financing Resources, Combined Balance Sheet – Non-Major Governmental Funds, Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds, and the Net Investment in Capital Assets*, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

President and Board of Education  
Edwards-Knox Central School District  
October 14, 2024  
Page 4

Restriction on Use

This information is intended solely for the information and use of Board of Education and management of Edwards-Knox Central School District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Bowers & Company*

**Schedule 1: Material Misstatements Corrected by Management**

**Government-Wide**

*Non-Current Governmental Assets:*

<b>Adjusting Journal Entries JE # 1</b>			
To adjust for CY fixed asset additions and WIP			
102.00	Buildings	97,694	
104.00	Equipment	5,700	
105.00	Construction Work in Prog.	2,006,619	
152.00	Current Appropriations		2,110,013
<b>Total</b>		<b><u>2,110,013</u></b>	<b><u>2,110,013</u></b>
<b>Adjusting Journal Entries JE # 2</b>			
To record CY depreciation			
152.00	Current Appropriations	1,220,608	
112.00	Accumulated Depr-Bldgs		780,179
114.00	Accumulated Depr-Equipment		137,490
114.01	Accum Depr - Vehicles		302,939
<b>Total</b>		<b><u>1,220,608</u></b>	<b><u>1,220,608</u></b>
<b>Adjusting Journal Entries JE # 3</b>			
To report ERS DO at 6/30/24			
152.00	Current Appropriations	1,770,437	
496.10	Deferred Outflows ERS		1,770,437
<b>Total</b>		<b><u>1,770,437</u></b>	<b><u>1,770,437</u></b>
<b>Adjusting Journal Entries JE # 4</b>			
To report TRS DO at 6/30/24			
496.20	Deferred Outflows TRS	1,079,676	
152.00	Current Appropriations		1,079,676
<b>Total</b>		<b><u>1,079,676</u></b>	<b><u>1,079,676</u></b>

**Schedule 1: Material Misstatements Corrected by Management**

**Government-Wide – Continued**

*Non-Current Governmental Liabilities:*

<b>Adjusting Journal Entries JE # 2</b>			
To adjust OPEB Liability to actual, per OPEB Report			
125.00	Budgets for Capital Indebtedness	137,503	
697.30	Deferred Inflow OPEB	704,705	
683.00	Other Post Employment Benefits	<u>                    </u>	<u>842,208</u>
<b>Total</b>		<b><u>842,208</u></b>	<b><u>842,208</u></b>

**Fund Financial Statements**

*General Fund:*

<b>Adjusting Journal Entries JE # 5</b>			
To adjust appropriated fund balance to actual			
917.00	Unassigned Fund Balance	262,299	
914.00	Assigned Appropriated Fund Bal	<u>                    </u>	<u>262,299</u>
<b>Total</b>		<b><u>262,299</u></b>	<b><u>262,299</u></b>

*Capital Fund:*

<b>Adjusting Journal Entries JE # 1</b>			
To report new lease purchase			
2110-200-00-00	Misc Furn & Equipment	9,012	
5788	Lease	<u>                    </u>	<u>9,012</u>
<b>Total</b>		<b><u>9,012</u></b>	<b><u>9,012</u></b>

<b>Adjusting Journal Entries JE # 3</b>			
To reallocate debt liability account to asset account			
391.00	Due to Other Funds	16,005	
630.00	Due to General	<u>                    </u>	<u>16,005</u>
<b>Total</b>		<b><u>16,005</u></b>	<b><u>16,005</u></b>

**Schedule 1: Material Misstatements Corrected by Management**

**Fund Financial Statements – Continued**

***Special Aid Fund:***

**Adjusting Journal Entries JE # 2**

To record expense for deputy./JKW

2110-403-00-ARPA Purch Serv - SRO	51,803	
410.00    Due From State and Federal	51,803	
4289.000-ARPA~~ ARPA FUNDING - ESSER 3		51,803
600.99    Accounts Payable		51,803
<b>Total</b>	<b><u>103,606</u></b>	<b><u>103,606</u></b>

**Adjusting Journal Entries JE # 3**

To adjust amount posted to AR instead of due to due from.

630.00    Due to General Fund	30,896	
410.00    Due From State and Federal		30,896
<b>Total</b>	<b><u>30,896</u></b>	<b><u>30,896</u></b>

***Debt Service Fund:***

**Adjusting Journal Entries JE # 1**

To reallocate debt held in V Fund Equity

914.00 Assigned Appropriated Fund Bal	27,153	
884.00 Reserve for Debt		27,153
<b>Total</b>	<b><u>27,153</u></b>	<b><u>27,153</u></b>
 <b>Total Adjusting Journal Entries</b>	 <b><u>27,153</u></b>	 <b><u>27,153</u></b>

**Schedule 1: Material Misstatements Corrected by Management**

**Fund Financial Statements – Continued**

***Miscellaneous Fund:***

<b>Adjusting Journal Entries JE # 1</b>			
To report ECA within CM fund			
200	Cash	39,260	
2989.01	Misc Disbursements - Club Accounts	68,307	
391	Due from general	255	
800.19	Class of 2021	255	
2770	Misc Revenue - Club Accounts		68,088
631	Due To Other Governments		14
800.08	Student Council		811
800.11	FFA		4,416
800.12	Stage Musical		8,505
800.15	After School Art		308
800.16	Yearbook		32
800.18	Speech and Debate		68
800.22	Class of 2024		16,391
800.25	Class of 2025		5,957
800.26	Class of 2026		3,277
800.8	Science National Honor Society		181
900	Interest		29
<b>Total</b>		<b><u>108,077</u></b>	<b><u>108,077</u></b>