

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
FINANCIAL REPORT
JUNE 30, 2024**

NORTH COLONIE CENTRAL SCHOOL DISTRICT

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BUSINESS
ADVISORS
AND CPAS

INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of the
North Colonie Central School District

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the North Colonie Central School District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the North Colonie 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the North Colonie 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.

Prior Period Adjustment-Correction of an Error

As discussed in Note 10, during the year ended June 30, 2024, management became aware of an error in the prior year reporting of fixed assets. The District recorded an adjust as of July 1, 2023 to correct the error. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the North Colonie 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the North Colonie 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 North Colonie 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 on pages 4-15, budgetary comparison information on pages 58-59, schedule of changes in total OPEB liability on page 60 schedules of proportionate share of net pension (liability) (asset) on page 61 and schedules of district contributions on page 62 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the North Colonie Central School District's basic financial statements. The supplementary information on pages 63-66 and the schedule of expenditures of federal awards on page 72 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. These supplementary schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and schedule of expenditures of federal awards 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 23, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Mengel, Metzger, Bar & Co. LLP

Latham, NY
October 23, 2024

**North Colonie Central School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

The following is a discussion and analysis of North Colonie Central School District's financial performance for the fiscal year ended June 30, 2024. This section is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- Government-wide net position of the District was \$(51,790,367) at June 30, 2024. The deficit is primarily the results of continuing effects of GASB Statement 75, "Account and Financial Reporting by Employers of Postemployment Benefits Other Than Pensions," which requires the recognition of an unfunded liability of \$153,347,230 at June 30, 2024. Since New York State Laws provide no mechanism for funding the liability, the subsequent accruals are expected to increase the deficits in subsequent years.
- Government-wide net deficit was \$2,648,703 more than at July 1, 2023. The primary factor contributing to this increase was the recognition of \$5,028,693 in expense related to the School District's other postemployment benefits plan and \$5,329,008 in expense related to the School District's pension plan.
- The School District's 2023/2024 general fund expenditures were less than the budget by \$11,100,194.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of three parts: MD&A (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

- The first two statements are *district-wide* financial statements that provide both *short-term* and *long-term* information about the School District's overall financial status.
- The remaining statements are *fund financial* statements that focus on *individual* parts of the District, reporting the School District's operations in *more detail* than the district-wide statements.
- The *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.
- *Fiduciary funds* statements provide information about the financial relationships in which the School District acts solely as a *trustee* or *agent* for the benefit of others, including the employees of the School District.

**North Colonic Central School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

The financial statements also include notes that provide additional information about the financial statements and balances reported. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year.

Table A-1 below shows how the various parts of this annual report are arranged and related to one another.

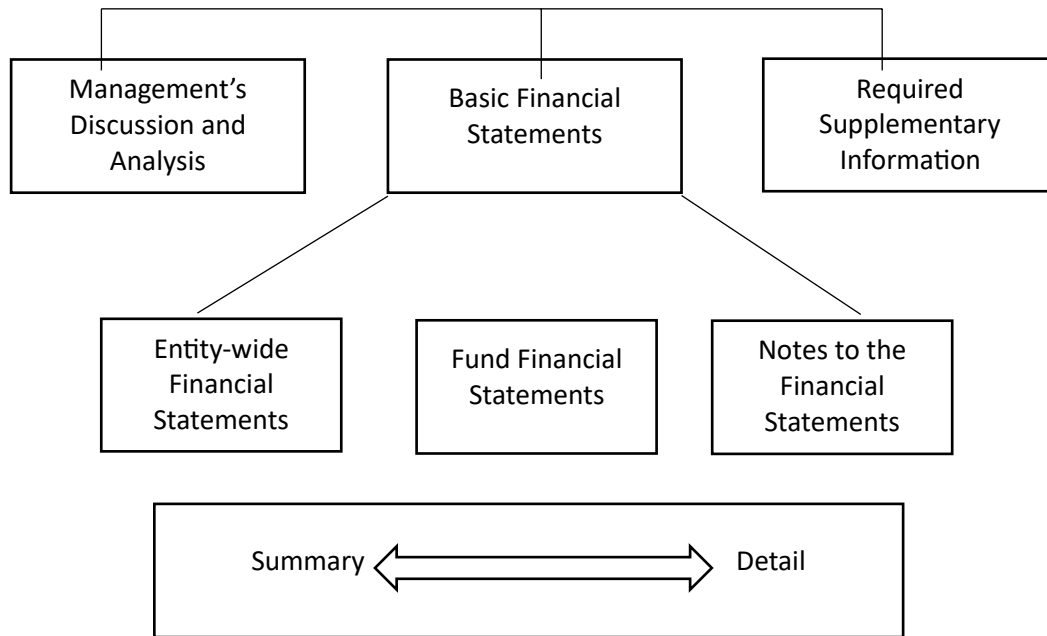


Table A-2 summarizes the major features of the School District's financial statements, including the portion of the School District's activities that they cover and the types of information that they contain. The remainder of this overview section highlights the structure and contents of each statement.

**North Colonic Central School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

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

	<u>District-wide Statements</u>	<u>Governmental Funds Statements</u>	<u>Fiduciary Funds</u>
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as regular and special education, transportation and building maintenance	Instances in which the District administers resources on behalf of someone else.
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures and changes in fund balances 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focused
Type of asset/deferred outflows of resources/liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities and deferred inflows of resources (if any) both short-term and long-term; funds do not currently contain capital assets although they can
Type of inflow/outflow information	All revenues and expenses during 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	All additions and deductions during the year, regardless of when cash is received or paid.

**North Colonie Central School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

District-Wide Statements

The School District-wide statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School 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 School District's *net position* and how it has changed. Net position - the difference between the School District's assets, deferred outflows of resources, liabilities and deferred inflows of resources - is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the School District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

- To assess the School District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities, and the performance of the students.

In the district-wide financial statements, the School District's activities are shown as *Governmental activities*: Most of the School 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.

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

Government-wide statements are reported utilizing an economic resources measurement focus and full accrual basis of account that involves the following steps to format the Statement of New Position:

- Capitalize current outlays for capital and lease assets;
- Report long-term debt and leases as a liability;
- Depreciate capital assets and allocate the depreciation to the proper function;
- Calculate revenue and expense using the economic resources measurement focus and the accrual basis of accounting; and
- Allocate net position balances as follows:
 - 1) Net position invested in capital assets, net of related debt;
 - 2) Restricted net position are those with constraints placed on the use by external sources (creditors, grantors, contributors, or laws or regulations of governments) or imposed by law through constitutional provisions or enabling legislation; and
 - 3) Unrestricted net position is net position that does not meet any of the above restrictions.

**North Colonie Central School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

Fund Financial Statements

The fund financial statements provide more detailed information about the School District's funds, focusing on its most significant or "major" funds - not the School District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs:

The District has two kinds of funds:

- **Governmental Funds:** Most of the School 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 School District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them. The governmental fund statements focus primarily on current financial resources and often have a budgetary orientation. Governmental funds include the general fund, special aid funds, school lunch fund, debt service fund, and the capital project fund. Required financial statements are the balance sheet and the statement of revenue, expenditures, and changes in fund balance.

- **Fiduciary Funds:** The School District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities fund. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School District excludes these activities from the district-wide financial statements because it cannot use these assets finance its operations. Fiduciary fund reporting focuses on net position and changes in net position.

**North Colonie Central School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Table A-3 shows a two-year analysis of the District's net position.

Table A-3: Condensed Statements of Net Position

	<u>Governmental Activities</u>		<u>Total Variance</u>
	<u>2024</u>	<u>Restated 2023</u>	
<u>ASSETS:</u>			
Current and Other Assets	\$ 68,168,566	\$ 87,261,775	\$ (19,093,209)
Capital and Lease Assets	158,973,900	163,194,898	(4,220,998)
Total Assets	<u>\$ 227,142,466</u>	<u>\$ 250,456,673</u>	<u>\$ (23,314,207)</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred Outflows of Resources	<u>\$ 56,719,153</u>	<u>\$ 72,733,953</u>	<u>\$ (16,014,800)</u>
<u>LIABILITIES:</u>			
Long-Term Debt Obligations	\$ 266,167,922	\$ 264,897,229	\$ 1,270,693
Other Liabilities	11,419,204	42,662,037	(31,242,833)
Total Liabilities	<u>\$ 277,587,126</u>	<u>\$ 307,559,266</u>	<u>\$ (29,972,140)</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferred Inflows of Resources	<u>\$ 58,064,860</u>	<u>\$ 64,773,024</u>	<u>\$ (6,708,164)</u>
<u>NET POSITION:</u>			
Net Investment in Capital and Lease Assets	\$ 65,187,551	\$ 70,774,945	\$ (5,587,394)
Restricted	43,662,661	32,509,521	11,153,140
Unrestricted	(160,640,579)	(152,426,130)	(8,214,449)
Total Net Position	<u>\$ (51,790,367)</u>	<u>\$ (49,141,664)</u>	<u>\$ (2,648,703)</u>

During 2024, the school district's total net position changed by 5.39% primarily due to the school district recognizing net pension liabilities for both the NYS Employees Retirement System and the NYS Teachers Retirement System in 2024.

Changes in Net Position

The School Districts Fiscal year in 2024 revenues totaled approximately \$155 million. Property taxes and state formula aid accounted for most of the School District's revenue by contributing 60.4% and 29.49% respectively, of every dollar earned. The remainder came from fees charged for services, operation grants and other miscellaneous sources. These revenues are shown in table A-4.

The total cost of all programs and services totaled approximately \$157 million for fiscal year 2024. These expenses (95.84%) are predominantly support to general support, instruction, and transportation. These expenses are shown in table A-4.

Table A-4 shows a two-year analysis of the districts revenues and expenditures for the 2024 and 2023 school years.

**North Colonie Central School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

Table A-4 Changes in Net Position from Operating Results

	<u>Governmental Activities</u>		<u>Total Variance</u>
	<u>Restated</u>		
	<u>2024</u>	<u>2023</u>	
<u>REVENUES:</u>			
<u>Program -</u>			
Charges for Service	\$ 3,166,522	\$ 4,608,331	\$ (1,441,809)
Operating Grants & Contributions	7,162,110	8,413,304	(1,251,194)
Capital Grants & Contributions	-	-	-
Total Program	\$ 10,328,632	\$ 13,021,635	\$ (2,693,003)
<u>General -</u>			
Property Taxes	\$ 93,551,469	\$ 91,006,730	\$ 2,544,739
State and Federal Aid	45,665,047	37,565,699	8,099,348
Investment Earnings	3,520,660	2,162,676	1,357,984
Compensation for Loss	214,398	59,895	154,503
Miscellaneous	1,264,334	1,312,411	(48,077)
Total General	\$ 144,215,908	\$ 132,107,411	\$ 12,108,497
TOTAL REVENUES	\$ 154,544,540	\$ 145,129,046	\$ 9,415,494
<u>EXPENSES:</u>			
General Support	\$ 20,567,253	\$ 20,891,744	\$ (324,491)
Instruction	121,654,203	107,465,635	14,188,568
Pupil Transportation	8,419,710	7,638,375	781,335
Community Services	22,504	-	22,504
School Lunch	3,801,469	3,517,322	284,147
Interest	2,728,104	2,340,094	388,010
TOTAL EXPENSES	\$ 157,193,243	\$ 141,853,170	\$ 15,340,073
CHANGE IN NET POSITION	\$ (2,648,703)	\$ 3,275,876	
NET POSITION, BEGINNING OF YEAR	(49,141,664)	(52,417,540)	
NET POSITION, END OF YEAR	\$ (51,790,367)	\$ (49,141,664)	

**North Colonic Central School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

Table A-5 Sources of Revenue for Fiscal Year 2024

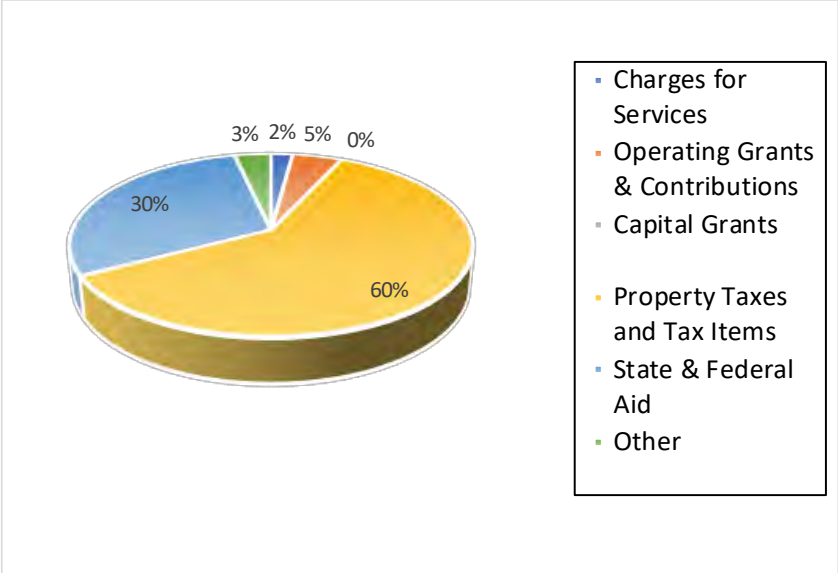
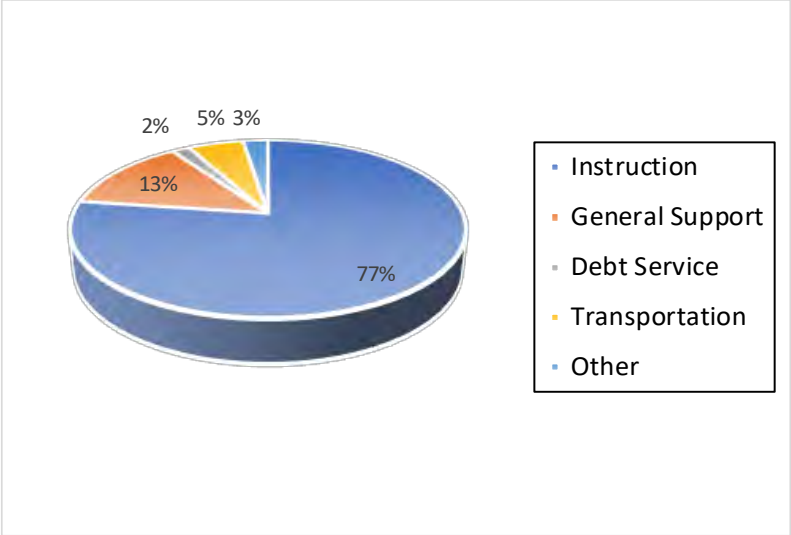


Table A-6 Expenditures for Fiscal Year 2024



**North Colonie Central School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

Governmental Activities

Revenue for the School District's governmental activities totaled \$154,544,540, 6.49% more than the previous fiscal year. Total expenses equaled \$157,193,243, 10.81% less than the previous fiscal year. The net result of the change in the School District's financial condition can be credited to:

- Expiration of covid-relief grant funding during the 2023-2024 fiscal year
- Restoration of NYS Foundation Aid allowed for increased instructional staffing levels to provide for increasing enrollment and student need

The table A-7 below presents the cost of major district areas. The table also shows each activity's net cost, (total cost less fees generated by the activity and grants received for specific programs). The total net cost shows the financial burden placed on the district.

TableA-7 Net Cost of Governmental Activities

	<u>Total Cost of Services</u>			<u>Net Cost of Services</u>		
	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>2024</u>	<u>2023</u>	<u>Change</u>
General Support	\$ 20,567,253	\$ 20,891,744	1.55%	\$ 20,387,880	\$ 20,891,744	2.41%
Instruction	121,654,203	107,465,635	-13.20%	115,217,519	97,310,623	-18.40%
Pupil Transportation	8,419,710	8,671,381	2.90%	8,419,710	8,671,381	2.90%
Debt Service Interest	2,728,104	2,340,094	-16.58%	2,728,104	2,340,094	-16.58%
School Lunch Program	3,801,469	3,517,322	-8.08%	88,894	650,699	86.34%
Other	22,504	-	100.00%	22,504	-	100.00%
Total	<u>\$ 157,193,243</u>	<u>\$142,886,176</u>		<u>\$146,864,611</u>	<u>\$129,864,541</u>	

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUND

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

**North Colonie Central School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

General Fund – The general fund, fund balance increased by \$10,806,859.

School Lunch Fund – The school lunch funds, fund balance, decreased by \$153,221.

Special Revenue Fund – The special revenue funds, fund balance, decrease by \$3,814.

Capital Projects Fund – The capital projects fund, fund balance decreased by \$2,578,228.

CAPITAL AND LEASE ASSET AND DEBT ADMINISTRATION

By the end of fiscal year 2024, the District has invested \$158,973,900, net of accumulated depreciation and amortization, in a broad range of capital and lease assets.

Table A-8 Capital and Lease Assets (Net of Depreciation and Amortization)

	<u>Governmental Activities</u>	
	<u>2024</u>	<u>Restated 2023</u>
<u>Capital Assets:</u>		
Land	\$ 700,705	\$ 700,705
Work in Progress	29,021,575	25,531,208
Land Improvements	317,336	352,631
Buildings and Improvements	121,290,453	129,174,296
Machinery and Equipment	2,395,109	1,914,745
Vehicles	3,993,585	4,538,282
Total Capital Assets	\$ 157,718,763	\$ 162,211,867
<u>Lease Assets:</u>		
Equipment	\$ 1,255,137	\$ 983,031
Grand Total	\$ 158,973,900	\$ 163,194,898

**North Colonie Central School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

Long-Term Debt

As of June 30, 2024, the District had outstanding long-term liabilities of \$266,167,922. The various obligations are listed below in Table A-9.

<u>Type</u>	<u>2024</u>	<u>2023</u>
Serial Bonds	\$ 91,280,000	\$ 94,955,000
Premium	4,563,055	4,767,598
Retainage Payable	181,661	-
OPEB	153,347,230	146,534,228
Net Pension Liability	10,858,224	16,620,162
Workers Compensation	1,437,590	1,023,511
Judgements and Claims	-	257,473
Compensated Absences	4,500,162	4,414,257
Total Long-Term Obligations	<u>\$ 266,167,922</u>	<u>\$ 268,572,229</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

At the time these financial statements were prepared and audited, the School District was aware of the following existing circumstances that could significantly affect its future financial health:

The Rockefeller Study, which will examine New York State's school funding system, may significantly influence Foundation Aid funding for the next fiscal year. This study is expected to provide a comprehensive analysis of the adequacy and equity of the current funding model, focusing on the needs of students across various districts.

The Property Tax Levy Cap, Chapter 97 of the Laws of 2011, continues to limit the School District's ability to raise tax revenue to meet future operating expenditures.

It is more costly to operate the school district due to inflationary pressures as well as rising costs of employee benefits such as healthcare and retirement contributions. The short-term impact is being felt with increased costs but was offset in-part through significant stimulus funding through September 2024, and then through the full restoration of Foundation Aid in 2022-2023. Potential Foundation Aid reductions due to a change to the funding model are unknown at this time but has the potential to significantly impact future budget development.

**North Colonie Central School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, and investors and creditors with a general overview of the finances of the School District and to demonstrate the School District's accountability with the funds it receives. If you have any questions about this report or need additional financial information, please contact:

Ms. Cybil Howard
Assistant Superintendent for Business
North Colonie Central School District
Administration Building
91 Fiddlers Lane
Latham, NY 12110

NORTH COLONIE CENTRAL SCHOOL DISTRICT

Statement of Net Position

June 30, 2024

ASSETS

Cash and cash equivalents	\$ 12,156,463
Restricted cash and cash equivalents	724,558
Investments	4,689,738
Restricted investments	44,589,989
Accounts receivable	5,889,687
Inventories	108,131
Prepaid items	10,000
Capital assets, net	157,718,763
Lease assets, net	1,255,137
TOTAL ASSETS	<u>\$ 227,142,466</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources	<u>\$ 56,719,153</u>
--------------------------------	-----------------------------

LIABILITIES

Accounts payable	\$ 2,082,716
Accrued liabilities	1,732,600
Refundable advances	447,735
Due to other governments	6,759
Due to teachers' retirement system	6,496,775
Due to employees' retirement system	652,619
Long-Term Obligations:	
Due in one year	5,970,531
Due in more than one year	260,197,391
TOTAL LIABILITIES	<u>\$ 277,587,126</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources	<u>\$ 58,064,860</u>
-------------------------------	-----------------------------

NET POSITION

Net investment in capital and lease assets	\$ 65,187,551
Restricted	43,662,661
Unrestricted	(160,640,579)
TOTAL NET POSITION	<u>\$ (51,790,367)</u>

NORTH COLONIE CENTRAL SCHOOL DISTRICT

Statement of Activities

For The Year Ended June 30, 2024

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
General support	\$ 20,567,253	\$ 179,373	\$ -	\$ -	\$ (20,387,880)
Instruction	121,654,203	2,490,972	3,945,712	-	(115,217,519)
Pupil transportation	8,419,710	-	-	-	(8,419,710)
Community services	22,504	-	-	-	(22,504)
School lunch	3,801,469	496,177	3,216,398	-	(88,894)
Interest	2,728,104	-	-	-	(2,728,104)
Total Functions/Programs	<u>\$ 157,193,243</u>	<u>\$ 3,166,522</u>	<u>\$ 7,162,110</u>	<u>\$ -</u>	<u>\$ (146,864,611)</u>

General Revenues:

Property taxes and other tax items	\$ 93,551,469
State and federal aid	45,665,047
Investment earnings	3,520,660
Compensation for loss	214,398
Miscellaneous	1,264,334
Total General Revenues	<u>\$ 144,215,908</u>
Changes in Net Position	<u>\$ (2,648,703)</u>
Net Position, Beginning of Year, As Originally Reported	(50,174,670)
Prior Period Adjustment - Correction of an Error (Note 10)	<u>1,033,006</u>
Net Position, Beginning of Year, As Restated	<u>(49,141,664)</u>
Net Position, End of Year	<u>\$ (51,790,367)</u>

NORTH COLONIE CENTRAL SCHOOL DISTRICT

Balance Sheet

Governmental Funds

June 30, 2024

	General	Special	School	Special	Capital	Total
	Fund	Aid	Lunch	Revenue	Projects	Governmental
ASSETS	Fund	Fund	Fund	Fund	Fund	Funds
Cash and cash equivalents	\$ 11,737,013	\$ -	\$ 419,450	\$ -	\$ -	\$ 12,156,463
Restricted cash and cash equivalents	-	-	-	195,137	529,421	724,558
Investments	3,869,591	-	820,147	-	-	4,689,738
Restricted investments	42,710,984	-	-	170,059	1,708,946	44,589,989
Receivables	4,291,948	1,339,024	258,715	-	-	5,889,687
Inventories	-	-	108,131	-	-	108,131
Due from other funds	4,000,000	41,865	563,425	2,500	2,294,420	6,902,210
Prepaid items	10,000	-	-	-	-	10,000
TOTAL ASSETS	\$ 66,619,536	\$ 1,380,889	\$ 2,169,868	\$ 367,696	\$ 4,532,787	\$ 75,070,776
LIABILITIES AND FUND EQUITY (DEFICIENCY)						
Liabilities -						
Accounts payable	\$ 1,831,793	\$ 209,410	\$ 29,613	\$ -	\$ 11,900	\$ 2,082,716
Accrued liabilities	494,922	87	9,710	-	-	504,719
Due to other funds	1,734,291	1,167,919	-	-	4,000,000	6,902,210
Due to other governments	6,711	-	48	-	-	6,759
Due to TRS	6,496,775	-	-	-	-	6,496,775
Due to ERS	652,619	-	-	-	-	652,619
Refundable Advances	11,155	3,473	433,107	-	-	447,735
TOTAL LIABILITIES	\$ 11,228,266	\$ 1,380,889	\$ 472,478	\$ -	\$ 4,011,900	\$ 17,093,533
Fund Equity (Deficiency) -						
Nonspendable	\$ 10,000	\$ -	\$ 108,131	\$ -	\$ -	\$ 118,131
Restricted	42,710,984	-	63,094	367,696	520,887	43,662,661
Assigned	6,506,587	-	1,526,165	-	-	8,032,752
Unassigned	6,163,699	-	-	-	-	6,163,699
TOTAL FUND EQUITY (DEFICIENCY)	\$ 55,391,270	\$ -	\$ 1,697,390	\$ 367,696	\$ 520,887	\$ 57,977,243
TOTAL LIABILITIES AND FUND EQUITY (DEFICIENCY)	\$ 66,619,536	\$ 1,380,889	\$ 2,169,868	\$ 367,696	\$ 4,532,787	

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

Capital assets/lease assets used in governmental activities are not financial resources and therefore are not reported in the funds.	158,973,900
Interest is accrued on outstanding bonds in the statement of net position but not in the funds.	(1,227,881)
The following long-term obligations are not due and payable in the current period and therefore are not reported in the governmental funds:	
Serial bonds payable	(91,280,000)
Retainage	(181,661)
OPEB	(153,347,230)
Compensated absences	(4,500,162)
Unamortized premium	(4,563,055)
Workers' compensation claims	(1,437,590)
Deferred outflow - pension	30,195,272
Deferred outflow - OPEB	26,523,881
Net pension liability	(10,858,224)
Deferred inflow - pension	(6,359,349)
Deferred inflow - OPEB	(51,705,511)
Net Position of Governmental Activities	\$ (51,790,367)

NORTH COLONIE CENTRAL SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Equity
Governmental Funds
For The Year Ended June 30, 2024

	General Fund	Special Aid Fund	School Lunch Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES						
Real property taxes and tax items	\$ 93,551,469	\$ -	\$ -	\$ -	\$ -	\$ 93,551,469
Charges for services	2,670,345	-	-	-	-	2,670,345
Use of money and property	3,479,724	-	20,147	337	20,478	3,520,686
Sale of property and compensation for loss	220,072	-	-	-	-	220,072
Miscellaneous	804,496	-	8	459,838	-	1,264,342
State sources	45,488,068	869,681	1,174,756	-	-	47,532,505
Federal sources	176,979	3,076,031	2,041,642	-	-	5,294,652
Sales	-	-	496,169	-	-	496,169
TOTAL REVENUES	\$ 146,391,153	\$ 3,945,712	\$ 3,732,722	\$ 460,175	\$ 20,478	\$ 154,550,240
EXPENDITURES						
General support	\$ 13,725,627	\$ 160,149	\$ -	\$ -	\$ -	\$ 13,885,776
Instruction	76,190,075	3,962,270	-	463,989	-	80,616,334
Pupil transportation	5,616,730	196,370	-	-	-	5,813,100
Community services	22,504	-	-	-	-	22,504
Employee benefits	31,880,340	-	-	-	-	31,880,340
Debt service - principal	4,385,000	-	-	-	-	4,385,000
Debt service - interest	3,335,675	-	-	-	-	3,335,675
Cost of sales	-	-	3,801,264	-	-	3,801,264
Capital outlay	-	-	139,945	-	3,618,640	3,758,585
TOTAL EXPENDITURES	\$ 135,155,951	\$ 4,318,789	\$ 3,941,209	\$ 463,989	\$ 3,618,640	\$ 147,498,578
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 11,235,202	\$ (373,077)	\$ (208,487)	\$ (3,814)	\$ (3,598,162)	\$ 7,051,662
OTHER FINANCING SOURCES (USES)						
Transfers - in	\$ -	\$ 373,077	\$ 55,266	\$ -	\$ -	\$ 428,343
Transfers - out	(428,343)	-	-	-	-	(428,343)
Proceeds from leases	-	-	-	-	309,934	309,934
BAN's redeemed from appropriations	-	-	-	-	710,000	710,000
TOTAL OTHER FINANCING SOURCES (USES)	\$ (428,343)	\$ 373,077	\$ 55,266	\$ -	\$ 1,019,934	\$ 1,019,934
NET CHANGE IN FUND EQUITY	\$ 10,806,859	\$ -	\$ (153,221)	\$ (3,814)	\$ (2,578,228)	\$ 8,071,596
FUND EQUITY, BEGINNING OF YEAR	44,584,411	-	1,850,611	371,510	3,099,115	49,905,647
FUND EQUITY, END OF YEAR	\$ 55,391,270	\$ -	\$ 1,697,390	\$ 367,696	\$ 520,887	\$ 57,977,243

See accompanying notes to financial statements.

NORTH COLONIE CENTRAL SCHOOL DISTRICT
Reconciliation of Statement of Revenues, Expenditures, and Changes in
Fund Equity of the Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2024

NET CHANGE IN FUND EQUITY -
TOTAL GOVERNMENTAL FUNDS \$ 8,071,596

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

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

Capital Outlay, including retainage	\$ 4,430,856	
Gain(loss) on capital asset sale	(5,674)	
Lease Additions, Net	309,934	
Depreciation and Amortization	<u>(9,137,775)</u>	(4,402,659)

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

Debt and Lease Repayments	\$ 4,385,000	
Proceeds from BAN Redemption	<u>(710,000)</u>	3,675,000

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 403,028

The net OPEB liability does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds. (5,028,692)

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

Teachers' Retirement System		(4,019,420)
Employees' Retirement System		(1,309,588)

Portion of deferred (inflow) / outflow recognized in long term debt 204,543

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

Compensated Absences	(85,905)	
Workers' Compensation Claims	(414,059)	
Judgements and Claims	<u>257,453</u>	<u>(242,511)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ (2,648,703)**

NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the North Colonie Central School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB), which is the standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of 9 members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units*. 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.

Extraclassroom Activity Funds

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

B. Joint Venture

The District is a component district in Albany-Schoharie-Schenectady Board of Cooperative Educational Services (BOCES). 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.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Joint Venture

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 \$5,403,805 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$2,577,185. Financial statements for the BOCES are available from the BOCES administrative office.

C. 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 aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The Statement of Activities presents a comparison between direct expenses and program 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 payroll expended to 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 financial statements

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

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis Of Presentation

I. Governmental Funds

The District reports the following major governmental funds:

1. 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.

2. Special Revenue Funds

These funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special revenue funds include the following:

a) Special Aid Fund

Used to account for proceeds received from the State and Federal grants that are restricted for specific educational programs.

b) School Lunch

Used to account for child nutrition activities whose funds are restricted as to use.

c) Special Revenue Fund

Used to account for proceeds from various funding sources, which may be restricted by a donor or designated by the District for specific purposes. The transactions of the Extraclassroom Activity Funds and scholarships are included in this fund.

3. Capital Projects Funds

These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. separately or in the aggregate.

II. Fiduciary Funds

Fiduciary funds are used to account for fiduciary activities. Fiduciary activities are those in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the District, and are not available to be used. There are two classes of fiduciary funds:

1. Private purpose trust funds

These funds are used to account for trust arrangements under principal and income benefits individuals, private organizations or other governments. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis Of Presentation

II. Fiduciary Funds

2. Custodial funds

These funds are strictly custodial in nature and do not involve the measurement of results of operations.

There are no activities that meet the criteria to be reported as fiduciary funds.

D. Basis of Accounting/Measurement Focus

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 and 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, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The 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 one year after the end of the fiscal year, except for real property taxes, which are considered to be available if collected within sixty days of the fiscal year.

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

E. Refundable Advances

Refundable advances arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for refundable advances is removed and revenue is recognized.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Property taxes

I. Calendar

Real property taxes are levied annually by the Board of Education no later than September 1, and become a lien on July 27, 2023. Taxes are collected during the period September 1, to October 31.

II. Enforcement

Uncollected real property taxes are subsequently enforced by the County of Albany, 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.

G. 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.

H. Budgetary Procedures and Budgetary Accounting

I. Budget Policies

The budget policies are as follows:

- a. The District administration prepares a proposed budget for approval by the Board of Education for the General Fund.
- b. The proposed appropriation budget for the General Fund is approved by the voters within the District.
- c. Appropriations are adopted at the line-item level.
- d. Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not located 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 which exists which was not determined at the time the budget was adopted. The following supplemental appropriations occurred for the year ended June 30, 2024:

From Additional Revenues:

Expenditures associated with donations	\$ 18,225
Expenditures associated with insurance recoveries	<u>7,984</u>
Total Supplemental Appropriations	<u>\$ 26,209</u>

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

H. Budgetary Procedures and Budgetary Accounting

I. Budget Policies

- e. 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.
- f. 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. The budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

II. 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 equity 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.

III. Budget Basis of Accounting

Under GASB Statement No. 34, budgetary comparison information is required to be presented for the general fund and each major special revenue fund with a legally adopted budget. The District is not legally required to adopt a budget for its special revenue funds. Therefore, budget comparison information for special revenue funds is not included in the District's financial statements.

I. Cash and Investments:

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The District's investments policies are government by State statutes. District resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the U.S. Treasury, U.S Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposits not covered by the 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 School Districts. Investments are stated at fair value.

J. Accounts Receivable

Accounts Receivable 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.

NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

K. Inventories and prepaid items

Inventories of food and supplies in the school lunch 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 inventorable items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount.

Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the district-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed. A portion of the fund equity in the amount of these non-liquid assets have been identified as not available for other subsequent expenditures.

L. Interfund transactions

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditure and revenues to provided 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 3.A.III for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

M. Equity Classifications

District-wide statements:

In the district-wide statements there are three classes of net positions:

Net Investment in capital and lease assets: consists of net capital assets (cost less accumulated depreciation), lease assets (less accumulated amortization) plus deferred loss on bond issuance plus unspent bond proceeds reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets and unamortized bond premium and retainage payable.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Restricted net position: reports net position when constraints placed on the assets or deferred outflows are either externally imposed by creditors (such as through debt covenants), granters, 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 do 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 equity:

Non-spendable - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund equity includes the following:

	<u>Total</u>
Inventory in School Lunch Fund	\$ 108,131
Prepaid items in General Fund	<u>10,000</u>
Total Nonspendable Fund Equity	<u><u>\$ 118,131</u></u>

Restricted - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, granters, 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 equities:

Workers' Compensation

According to General Municipal Law §6-j, these reserve funds must be used to pay compensation and benefits, medical, hospital, or other expenses authorized by Article 2 of the Workers' Compensation Law and to pay the expenses of administering a self-insurance workers' compensation 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 the Board may elect to transfer all or part of the excess amount to certain other reserve funds, or may apply all or part of the excess to the budget appropriation of the next succeeding fiscal year.

Unemployment

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

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Retirement Contribution Reserve

According to General Municipal Law §6-r, this reserve 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 reserve 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. A Board may adopt a resolution establishing sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payments into the sub-fund 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.

Capital Reserve

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

Employee Benefit Accrued Liability Reserve

According to General Municipal Law §6-p, this reserve 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.

Tax Certiorari Reserve

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

Debt Service

According to General Municipal Law §6-1, the Mandatory Reserve for Debt Service must be established for the purposes of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from unexpended bond proceeds or the proceeds of the sale of District property.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Special Revenue Fund

Restricted for scholarships for students that meet donor specified criteria and restricted for Extraclassroom Activity Funds.

Restricted fund equity includes the following:

	<u>Total</u>
<u>General Fund -</u>	
Workers' Compensation	\$ 1,438,221
Unemployment Costs	249,169
Retirement Contribution - ERS	11,609,878
Retirement Contribution - TRS	5,699,664
Tax Certiorari	1,356,525
Debt	9,573,926
Capital Reserves	10,582,517
Employee Benefit Accrued Liability	2,201,084
<u>Capital Fund -</u>	
Voter Approved Projects	265,204
Encumbrances	255,683
<u>Special Revenue Fund -</u>	
Extraclassroom Activity Funds	291,831
Scholarships	75,865
<u>School Lunch Fund -</u>	
Encumbrances	63,094
Total Restricted Fund Equity	<u><u>\$ 43,662,661</u></u>

Committed - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision-making authority, i.e., the Board of Education. The District has no committed fund equity 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 equity represents the residual amount of fund equity. Assigned fund equity also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted as the end of the fiscal year. All encumbrances of the General Fund are classified as Assigned Fund Equity in the General Fund.

Assigned fund equity includes the following:

	<u>Total</u>
General Fund - Encumbrances	\$ 1,670,194
General Fund - Appropriated for Taxes	836,393
General Fund - Appropriated for Capital Project	4,000,000
School Lunch Fund - Year End Equity	1,526,165
Total Assigned Fund Equity	<u><u>\$ 8,032,752</u></u>

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Encumbrances

Encumbrances accounting, under this method, purchase orders, contracts, and other commitments for the expenditure of monies are recorded for budgetary control purposes in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations.

Purpose of Encumbrances:

General Fund -

General Support	\$ 538,781
Instruction	145,135
Pupil Transportation	986,278
Total General Fund Encumbrances	<u><u>\$ 1,670,194</u></u>

School Lunch Fund -

Capital Improvements	\$ 63,094
Total Capital Fund Encumbrances	<u><u>\$ 63,094</u></u>

Capital Projects Fund -

Capital Improvements	\$ 255,683
Total Capital Fund Encumbrances	<u><u>\$ 255,683</u></u>

Unassigned - Includes all other General Fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the District. Deficit fund equity in governmental funds are classified as unassigned. In funds other than the general fund, the unassigned classification is used to report a deficit fund equity resulting from overspending for specific purposes for which amounts had been restricted or assigned.

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a District can retain to no more than 4% of the District's budget for the General Fund for the ensuing fiscal year. Non-spendable and restricted fund equity of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation, and the District did not exceed this limit at June 30, 2024.

Net Position/Fund Equity

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

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

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Order of Use of Fund Equity

The District's policy is to apply expenditures against non-spendable fund equity, restricted fund equity (to the extent appropriated), committed fund equity, assigned fund equity, and unassigned fund equity at the end of the fiscal year. For all funds, non-spendable fund equities are determined first and then restricted fund equities for specific purposes are determined. Any remaining fund equity amounts for funds other than the General Fund are classified as restricted fund equity. In the general fund, committed fund equity is determine next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund equity cannot cause a negative unassigned fund equity.

N Postemployment Benefits

In addition to providing the retirement benefits described in Note 3.B.I, the District provides post-employment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contract negotiated between the District and its employee groups as governed by Board of Education Policy. Substantially all of these 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 postemployment benefits is shared between the District and the retired employee. See Note 5.

O. Capital Assets and Lease Assets

Capital Assets

Capital assets are reported at actual cost when such data is available. For assets in which there was no data available, estimated historical cost, based on appraisals conducted by independent third-party professionals were used. Additions, improvements and other capital outlays that significantly extended the useful life of assets are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Donated assets are reported at estimated fair market value at the time received.

Land and construction in process 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>Class</u>	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land	\$ 1,000	N/A	N/A
Building Improvements	\$ 1,000	SL	15-50 Years
Machinery and Equipment	\$ 1,000	SL	5-20 Years
Vehicles	\$ 1,000	SL	4-10 Years

NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

O. Capital Assets and Lease Assets

Lease Assets

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

P. 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 may have four items that qualify for reporting in this category. First is the deferred charge on refunding reported in the Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the 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 proportion share of total contributions to the pension systems not included in pension expense. The third item is the District contributions to the pension systems (TRS and ERS Systems) and OPEB subsequent to the measurement date. The fourth item relates to pensions and 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 changes of assumptions.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District, if applicable, 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 proportion share of total contributions to the pension systems not included in pension expense. The second item is related to the pensions and OPEB reporting in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs and differences between actual and expected experience.

Q. 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 an insufficient or no provision is 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.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Q. Short-term Debt

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

R. Payables, Accrued liabilities and long-term obligations

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

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

S. Explanation Of Certain Differences Between Governmental Fund Statements And District-Wide Statements

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

a. Total fund equity of governmental funds vs. net assets of governmental activities

Total fund equity 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 capital and lease assets and long-term liabilities, including pensions.

b. Statement of Revenues, Expenditures and Changes in Fund Equity vs. Statement of Activities

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

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

S. Explanation Of Certain Differences Between Governmental Fund Statements And District-Wide Statements

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.

Capital and lease related differences:

Capital and lease 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 in the governmental fund statements and depreciation or amortization expense on those items as recorded in the Statement of Activities.

Long-term debt transaction differences:

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

Pension differences:

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

OPEB difference:

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

T. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities 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 compensated absence, other postemployment benefits, potential contingent liabilities, net pension asset/liability, deferred outflows/inflows and useful lives of long-lived assets.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

U. Vested Employee Benefits

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Sick leave is based on a last-in, first-out (LIFO) basis. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave.

District employees 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 governmental funds 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.

V. New Accounting Standards

The District has adopted and implemented the following (all) current Statements of the Governmental Accounting Standards Board (GASB) that are applicable as of June 30, 2024. There was no material impact as a result of implementing this standard:

GASB has issued Statement No. 100, *Accounting Changes and Error Corrections*, effective for the year ending June 30, 2024.

W. Future Changes in Accounting Standards

GASB has issued Statement 101, *Compensated Absences*, effective for the year ending June 30, 2025.

GASB has issued Statement 102, *Certain Risk Disclosures*, effective for the year ending June 30, 2025.

GASB has issued Statement 103, *Financial reporting Model Improvements*, effective for the year ending 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.

2. STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY

A. Unassigned Fund Balance

The District's unassigned 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 did not exceed this amount at June 30, 2024.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

3. DETAILED NOTES ON ALL FUNDS

A. Assets

I. Cash and Investments

Deposits

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 agents 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 in the District's name.

Investment and Deposit Policy

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

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The District's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The District's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

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

Custodial Credit Risk

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

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.

NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

3. DETAILED NOTES ON ALL FUNDS

A. Assets

I. Cash and Investments

Custodial Credit Risk

- Obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

Investments

U.S. GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in active markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means;
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

The District participates in NYLAF, a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, Section 119-0, whereby it holds a portion of the investments in cooperation with other participants.

Total investments of the NYLAF cooperative as of September 30, 2023, based on audited numbers are \$1,166,955,202, which consisted of \$200,000,000 in repurchase agreements, \$478,786,561, in collateralized bank deposits, \$1,584,832 in U.S. Government Agency Obligations and \$486,623,809 in U.S. Government Treasury Securities.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

3. DETAILED NOTES ON ALL FUNDS

A. Assets

I. Cash and Investments

Investments

At June 30, 2024, the District held \$49,279,727 in investments consisting of various investments in securities issued by the United States and its agencies. The following valuation inputs are included as investments:

<u>Investment in Securities at Value</u>	<u>Valuation Inputs</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
General Fund	\$ -	\$ 46,580,575	\$ -	\$ 46,580,575
School Lunch Fund	-	820,147	-	820,147
Special Revenue Fund	-	170,059	-	170,059
Capital Projects Fund	-	1,708,946	-	1,708,946
Total	<u>\$ -</u>	<u>\$ 49,279,727</u>	<u>\$ -</u>	<u>\$ 49,279,727</u>

The above amount represents the fair value of the investment pool shares. For the year ended June 30, 2024, the portfolio did not have significant unobservable inputs (Level 3) used in determining fair value. Thus, a reconciliation of assets in which significant unobservable inputs (Level3) which were used in determining fair value is not applicable.

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the period. Ther portfolio recognizes transfers between the levels as of the beginning of the fiscal year.

Risks and Uncertainties with Investments

The District invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonable possibly that changes could materially affect the amounts reported in the Statement of Net Position.

Restricted Cash and Investments

Restricted cash and investments consists of the following:

	<u>Total</u>
<u>General Fund -</u>	
Workers' Compensation	\$ 1,438,221
Unemployment Costs	249,169
Retirement Contribution - ERS	11,609,878
Retirement Contribution - TRS	5,699,664
Tax Certiorari	1,356,525
Debt	9,573,926
Capital Reserves	10,582,517
Employee Benefit Accrued Liability	2,201,084
<u>Capital Projects Fund -</u>	
Voter approved projects	2,238,367
<u>Special Revenue Fund</u>	
Scholarships	73,365
Extraclassroom Activity Fund	291,831
Total Restricted Cash and Investments	<u>\$ 45,314,547</u>

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

3. DETAILED NOTES ON ALL FUNDS

A. Assets

II. Receivables

Receivables balances for the year ended June 30, 2024 are as follows:

<u>Description</u>	<u>Governmental Activities</u>				<u>Total</u>
	<u>General</u>	<u>Special</u>	<u>Capital</u>	<u>School</u>	
	<u>Fund</u>	<u>Aid</u>	<u>Projects</u>	<u>Lunch</u>	
Accounts Receivable	\$ 174,470	\$ -	\$ -	\$ 4,237	\$ 178,707
Due From State and Federal	1,220,481	1,339,024	-	254,478	2,813,983
Due From Other Governments	2,896,997	-	-	-	2,896,997
Total Receivables	\$ 4,291,948	\$ 1,339,024	\$ -	\$ 258,715	\$ 5,889,687

III. Interfund Receivables and Payables

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Interfund receivable and payable balances at June 30, 2024 are as follows:

	<u>Interfund</u>			
	<u>Receivables</u>	<u>Payables</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 4,000,000	\$ 1,734,291	\$ -	\$ 428,343
Special Aid Fund	41,865	1,167,919	373,077	-
School Lunch Fund	563,425	-	55,266	-
Special Revenue Fund	2,500	-	-	-
Capital Projects Fund	2,294,420	4,000,000	-	-
Total	\$ 6,902,210	\$ 6,902,210	\$ 428,343	\$ 428,343

During 2023-24 the General Fund transferred \$373,077 to the Special Aid Fund for the District's share of the special education summer school program its students attended and \$55,266 to the School Lunch Fund to cover to cover its share of related costs and fringe benefits.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

3. DETAILED NOTES ON ALL FUNDS

A. Assets

IV. Capital Assets

Capital asset balances and activity for the year ended June 30, 2024 were as follows:

<u>Type</u>	<u>Restated Balance 7/1/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2024</u>
<u>Governmental Activities:</u>				
<u>Capital Assets that are not Depreciated -</u>				
Land	\$ 700,705	\$ -	\$ -	\$ 700,705
Work in progress	25,531,208	3,490,367	-	29,021,575
Total Nondepreciable	\$ 26,231,913	\$ 3,490,367	\$ -	\$ 29,722,280
<u>Capital Assets that are Depreciated -</u>				
Land Improvements	\$ 1,885,427	\$ 12,630	\$ -	\$ 1,898,057
Buildings and Improvements	191,860,760	2,750	-	191,863,510
Machinery and equipment	6,475,367	861,991	95,588	7,241,770
Vehicles	10,988,851	244,779	1,530,606	9,703,024
Total Depreciated Assets	\$ 211,210,405	\$ 1,122,150	\$ 1,626,194	\$ 210,706,361
<u>Less Accumulated Depreciation -</u>				
Land Improvements	\$ 1,532,796	\$ 47,925	\$ -	\$ 1,580,721
Buildings and Improvements	62,686,464	7,886,593	-	70,573,057
Machinery and equipment	4,560,622	378,166	92,127	4,846,661
Vehicles	6,450,569	787,263	1,528,393	5,709,439
Total Accumulated Depreciation	\$ 75,230,451	\$ 9,099,947	\$ 1,620,520	\$ 82,709,878
Total Capital Assets Depreciated, Net of Accumulated Depreciation	\$ 135,979,954	\$ (7,977,797)	\$ 5,674	\$ 127,996,483
Total Capital Assets	\$ 162,211,867	\$ (4,487,430)	\$ 5,674	\$ 157,718,763

See Note 10 for information related to restatement.

Depreciation expense for the year ended June 30, 2024 was allocated to specific functions as follows:

	<u>Depreciation</u>
General Support	\$ 1,307,435
Instruction	7,257,490
Pupil Transportation	535,022
Total	\$ 9,099,947

NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

3. DETAILED NOTES ON ALL FUNDS

B. Liabilities

1. Pension Plans

General Information:

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

Plan Descriptions

Teachers' Retirement System

The TRS is administered by the New York State Teachers' Retirement Board. 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 (NYSRSSL). The System is governed by a 10-member Board of Trustees. 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. The New York State TRS issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report and additional information may be obtained by writing to New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, New York 12211-2395 or by referring to the TRS Comprehensive Annual Financial report, which can be found on the System's website at www.nystrs.org.

Employees' Retirement System

The New York State and Local Employees' Retirement System provides retirement benefits as well as death and disability benefits. This is a cost-sharing multiple-employer retirement system. 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. Obligations of employers and employees to contribute, and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). 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. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to New York State and Local Retirement

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

3. DETAILED NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Employees' Retirement System

System, 110 State Street, Albany, New York 12244 or found at www.osc.state.ny.us/retire/publications/index.php.

Contributions

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3% 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 ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31. Pursuant to Article 11 of the Educational Law the New York State Teachers' Retirement Board establishes rates annually for TRS.

The District's share of the required contributions for the current year and two preceding years based on covered payroll paid for the District was:

<u>Contributions</u>	<u>ERS</u>	<u>TRS</u>
2024	\$ 2,099,428	\$ 5,887,130
2023	\$ 2,099,793	\$ 5,887,219
2022	\$ 1,690,647	\$ 5,378,762

The District contributions made to the Systems were equal to 100 percent of the contributions required for each year.

Pension Liabilities

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.

Pension Liabilities

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2024	June 30, 2023
Net pension assets/(liability)	\$ (7,315,721)	\$ (3,542,503)
District's portion of the Plan's total net pension asset/(liability)	0.049%	0.310%

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

3. DETAILED NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Pension Expense (Credit)

For the year ended June 30, 2024, the District's recognized its proportionate share of pension expense of \$3,152,577 for ERS and \$10,066,024 for TRS.

Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2024 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 2,356,388	\$ 8,589,627	\$ 199,481	\$ 21,228
Changes of assumptions	2,765,910	7,626,904	-	1,662,242
Net difference between projected and actual earnings on pension plan investments	-	1,810,857	3,573,691	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	599,550	4,751	59,868	842,839
Subtotal	<u>\$ 5,721,848</u>	<u>\$ 18,032,139</u>	<u>\$ 3,833,040</u>	<u>\$ 2,526,309</u>
District's contributions subsequent to the measurement date	652,619	5,788,666	-	-
Grand Total	<u>\$ 6,374,467</u>	<u>\$ 23,820,805</u>	<u>\$ 3,833,040</u>	<u>\$ 2,526,309</u>

Pension Expense (Credit)

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension asset/(liability) in the year ended March 31, 2025 for ERS and June 30, 2024 for TRS. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2024	\$ -	\$ 1,176,339
2025	(1,125,656)	(2,056,556)
2026	1,542,594	14,110,366
2027	2,231,307	963,343
2028	(759,437)	782,639
Thereafter	-	529,699
Total	<u>\$ 1,888,808</u>	<u>\$ 15,505,830</u>

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

3. DETAILED NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Actuarial Assumptions

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2024	June 30, 2023
Actuarial valuation date	April 1, 2023	June 30, 2022
Interest rate	5.90%	6.95%
Salary scale	4.40%	5.18%-1.95%
Decrement tables	April 1, 2015- March 31, 2020 System's Experience	July 1, 2015- June 30, 2020 System's Experience
Inflation rate	2.90%	2.40%
COLA's	1.50%	1.30%

For ERS, annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2021. For TRS, annuitant mortality rates are based on 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, 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 to June 30, 2020.

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

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

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

3. DETAILED NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Actuarial Assumptions

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

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 liability.

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

The following presents the District's proportionate share of the net pension asset/(liability) as of June 30, 2024 calculated using the discount rate of 5.9% for ERS and 6.95% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentagepoint lower (4.9% for ERS and 5.95% for TRS) or 1-percentagepoint higher (6.9% for ERS and 7.95% for TRS) than the current rate:

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

3. DETAILED NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

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

<u>ERS</u>	1% Decrease <u>(4.90%)</u>	Current Assumption <u>(5.90%)</u>	1% Increase <u>(6.90%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ (23,001,374)	\$ (7,315,721)	\$ 5,785,054

<u>TRS</u>	1% Decrease <u>(5.95%)</u>	Current Assumption <u>(6.95%)</u>	1% Increase <u>(7.95%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ (53,954,117)	\$ (3,542,503)	\$ 38,855,845

Changes in Assumptions

Changes in assumptions about future economic or demographic factors or other inputs are amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits for the period during which the changes occurred. Differences between projected and actual earnings on pension plan investments are amortized over a closed five-year period.

Collective Pension Expense

Collective pension expense includes certain current period changes in the collective net pension asset/(liability), projected earnings on pension plan investments, and the amortization of deferred outflows or resources and deferred inflows of resources for the current period. The Collection pension expense for the year ended June 30, 2024 is \$3,469,668 for ERS and \$9,806,174 for TRS.

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2024 represent the projected employer contribution for the period of April 1, 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 \$652,619.

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

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

3. DETAILED NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Payables to the Pension Plan

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 \$6,496,775.

Other Benefits

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

II. Indebtedness

Short-Term Debt

Bond Anticipation Notes

Notes issued in anticipation of proceeds from the subsequent sale of bonds are recorded as a current liability of the fund that will actually receive the proceeds from the issuance of the bonds. State law requires that bond anticipation notes issued for capital purposes be converted to long-term financing within five years after the original issue date. Transactions in short-term debt are summarized below:

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance 7/1/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2024</u>
BAN	7/14/2023	3.75%	\$ 26,100,000	-	\$ 26,100,000	-
Total Short-Term Debt			<u>\$ 26,100,000</u>	<u>\$ -</u>	<u>\$ 26,100,000</u>	<u>\$ -</u>

Interest on short-term debt for the year comprised of:

Interest Paid	\$ 978,750
Less: Interest Accrued in the Prior Year	(941,209)
Plus: Interest Accrued in the Current Year	-
Total Short-Term Interest Expense	<u>\$ 37,541</u>

Long-Term Debt

Serial Bonds

The District borrows money in order to acquire or construct buildings and 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 District. The provisions to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

3. DETAILED NOTES ON ALL FUNDS

B. Liabilities

II. Indebtedness

Long-Term Debt

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

Interest Paid	\$ 2,356,925
Less: Amortization of Premium	(204,543)
Less: Interest Accrued in the Prior Year	(689,700)
Plus: Interest Accrued in the Current Year	<u>1,227,881</u>
Total Long-Term Interest Expense	<u>\$ 2,690,563</u>

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.

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

	<u>Balance</u> <u>7/1/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2024</u>	<u>Due Within</u> <u>One Year</u>
<u>Governmental Activities:</u>					
<u>Bonds and Notes Payable -</u>					
Serial Bonds	\$ 94,955,000	\$ -	\$ 3,675,000	\$ 91,280,000	\$ 5,200,000
Premium	4,767,598	-	204,543	4,563,055	588,870
Total Bonds and Notes Payable	<u>\$ 99,722,598</u>	<u>\$ -</u>	<u>\$ 3,879,543</u>	<u>\$ 95,843,055</u>	<u>\$ 5,788,870</u>
<u>Other Liabilities -</u>					
Net Pension Liability	\$ 16,620,162	\$ -	\$ 5,761,938	\$ 10,858,224	\$ -
Workers' Compensation	1,023,511	414,079	-	1,437,590	-
OPEB	146,534,228	12,737,067	5,924,065	153,347,230	-
Judgments and Claims	257,473	-	257,473	-	-
Retainage Payable	-	181,661	-	181,661	181,661
Compensated Absences	4,414,257	85,905	-	4,500,162	-
Total Other Liabilities	<u>\$168,849,631</u>	<u>\$13,418,712</u>	<u>\$11,943,476</u>	<u>\$170,324,867</u>	<u>\$ 181,661</u>
Total Long-Term Obligations	<u>\$268,572,229</u>	<u>\$13,418,712</u>	<u>\$15,823,019</u>	<u>\$266,167,922</u>	<u>\$ 5,970,531</u>

Additions and deletions to compensated absences are shown net since it is impractical to determine these amounts separately.

The above liabilities are liquidated by the general fund.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

3. DETAILED NOTES ON ALL FUNDS

B. Liabilities

II. Indebtedness

Long-Term Debt

The following is a summary of long-term indebtedness:

<u>Description</u>	<u>Original Amount</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding 6/30/2024</u>
2021 District-Wide Renovations	\$73,940,000	2021	2041	2.00%-2.125%	\$ 66,665,000
2023 District-Wide Renovations	24,615,000	2023	2036	5.00%	24,615,000
Total Serial Bonds					<u>\$ 91,280,000</u>

The following is a summary of maturing debt service requirements for serial bonds and the energy performance contract:

Long-Term Debt

<u>Year</u>	<u>Serial Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Premium</u>
2025	\$ 5,200,000	\$ 2,944,413	\$ 588,870
2026	5,340,000	2,349,463	554,524
2027	5,500,000	2,194,263	518,735
2028	5,660,000	2,033,463	481,296
2029	5,825,000	1,866,863	442,208
2030-34	31,875,000	6,612,412	1,558,920
2035-39	24,590,000	2,093,188	397,262
2041	7,290,000	155,762	21,240
Total	<u>\$ 91,280,000</u>	<u>\$ 20,249,827</u>	<u>\$ 4,563,055</u>

III. Constitutional Debt Limit

The constitution of the State of New York limits the amount of indebtedness which may be issued by the District. Basically, the District may issue indebtedness to the extent that the aggregate outstanding debt issues which are subject to such limit does not exceed 10% of the full valuation of taxable real estate within the district. At June 30, 2024, the District has exhausted 16.47% of its constitutional debt limit.

IV. Deferred Outflows and Inflows of Resources

The deferred outflows and inflows reported on the statement of net position consist of the following:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Pension	\$ 30,195,272	\$ 6,359,349
OPEB	26,523,881	51,705,511
Total	<u>\$ 56,719,153</u>	<u>\$ 58,064,860</u>

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

4. COMMITMENTS AND CONTINGENCIES

General

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, injuries to employees, 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.

The District does not purchase insurance for the risk of losses for unemployment and workers' compensation claims. Instead, the District manages its risks for these losses internally and accounts for these in the District's general fund, including provisions for unexpected and unusual claims.

Workers' Compensation Plan

The District is self-insured for workers compensation benefits on a cost-reimbursement basis. Under the program, the District is responsible for claim payments. The District has contracted with Benetech, Inc. as a third-party administrator of the District's workers' compensation insurance program. All known claims filed and an estimate of all incurred but unreported claims existing at June 30, 2024 have been recorded as liabilities within accounts payable. The District establishes workers compensation claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount.

Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claims frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to the liability in the periods in which they are made.

As discussed above, the District establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. The District has also established a Workers' Compensation Reserve with a balance of \$1,438,221

The following represents changes in those aggregate liabilities for the District during 2024:

	<u>2024</u>	<u>2023</u>
Unpaid claims and claim adjustment expenses - beginning of year	\$1,023,511	\$1,024,335
Incurred claims and claim adjustment expenses:		
Provision for incurred claims expenses for events of the current year	358,134	345,510
Increase (decrease) in provision for incurred events of prior years	301,807	(98,411)
Total Incurred Claims and Claim Adjustment Expenses	<u>659,941</u>	<u>247,099</u>
Payments made for claims during the current year	<u>(245,231)</u>	<u>(247,923)</u>
Total Unpaid Claims and Claim Adjustment Expenses - End of Year	<u>\$1,438,221</u>	<u>\$1,023,511</u>

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

4. COMMITMENTS AND CONTINGENCIES

Litigation

The District has been named as a defendant in several tax certiorari cases. A review by management and the District's attorneys indicate these actions are substantial enough to materially affect the financial position of the District, however the District believes the tax certiorari reserve of approximately \$1.3 million is adequate to cover any potential settlements that could occur. There are currently pending proceedings with the United States District Court by a former student alleging discrimination under the Fourth Amendment. The District is vigorously defending the matter. The contingent liability cannot be determined this time.

The District received a Notice of Claim from a former employee for violations of free speech under the First Amendment in the Fall 2023. The claimant has not filed a lawsuit. The District's insurer is providing a defense for the claims under this reservation, the District denies any asserted claims. If a lawsuit is filed, the District intends to vigorously contest the claims. It is the opinion of management and attorneys that all potential losses will be covered by insurance or not materially affect the District.

Other Items

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

Commitments

The School District has various commitments with contractors for the completion of capital projects over the next several years.

5. POSTEMPLOYMENT BENEFITS OBLIGATION PAYABLE

Plan Description

The District administers a defined benefit OPEB plan that provides OPEB for all employees who meet the TRS/ERS eligibility requirements. 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. 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.

Funding Policy

The obligations of the Plan members and the employers are established by action of the District pursuant to applicable collective bargaining and other employee agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreement. Employees are required to reach eligibility for retirement under ERS/TRS age 55 and have 5 years of service to qualify for other postemployment benefits. The District currently funds the Plan to satisfy current obligations on a pay-as-you-go basis.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

5. POSTEMPLOYMENT BENEFITS OBLIGATION PAYABLE

Benefits Provided

The District provides for the continuation of medical and/or Medicare Part B benefits for retirees and their spouses. 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 the June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	439
Inactive employees entitled to but not yet receiving benefit payments	-
Active Employees	1044
Total	1483

Total OPEB Liability

The District's total OPEB liability was measured as of June 30, 2024 and was determined by an actuarial valuation date of July 1, 2023.

Actuarial Assumptions and Other Inputs

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

Inflation	2.70 percent
Salary Increases	Varies by pension retirement system membership
Discount Rate	4.21 percent
Healthcare Cost Trend Rates	Initial rate of 6.80% decreasing to an ultimate rate of 4.14% by 2076 for Medical/Rx trends Initial rate of 6.00% decreasing to an ultimate rate of 4.14% by 2076 for Part B trends
Retirees' Share of Benefit-Related Costs	Varies depending on contract

The discount rate was based on Bond Buyer GO-20 municipal bond index.

Mortality rates were based on Pub-2010 Headcount-Weighted table for General Employees for ERS group projected fully generationally using MP-2021.

Retirement participation rate assumed that 100% of future retirees eligible for coverage will elect the benefit. Marriage assumption, it was assumed that active employees will maintain their current marital status. Each eligible employee will retire with the maximum number of sick days allowed and use them as contributions to their retiree premium.

For current retirees, actual consensus information was used. Additionally, a tiered approach based on age and years of service was used to determine retirement rate assumption.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

5. POSTEMPLOYMENT BENEFITS OBLIGATION PAYABLE

Changes in the Total OPEB Liability

Balance at June 30, 2023	\$ 146,534,228
<u>Changes for the Year -</u>	
Service cost	\$ 6,490,085
Interest	6,246,982
Changes of benefit terms	-
Differences between expected and actual experience	(352,929)
Changes in assumptions or other inputs	(2,003,710)
Benefit payments	(3,567,426)
Net Changes	\$ 6,813,002
Balance at June 30, 2024	\$ 153,347,230

Changes of assumptions and other inputs reflect a change in the discount rate from 4.13% in 2023 to 4.21% in 2024.

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

The following presents the total OPES liability of the District, as well as what the District's total OPES liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.21%) or 1 percentage point higher (5.21%) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
	<u>(3.21%)</u>	<u>(4.21%)</u>	<u>(5.21%)</u>
Total OPEB Liability	\$ 181,319,086	\$ 153,347,230	\$ 131,151,066

Sensitivity of the Total OPEB Liability to Change in the Healthcare Cost Trend Rates

The following presents the total OPES liability of the District, as well as what the District's total OPES liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.8%) or 1 percentage point higher (7.8%) than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
	<u>(5.8%)</u>	<u>(6.8%)</u>	<u>(7.8%)</u>
	<u>Decreasing to 3.14%</u>	<u>Decreasing to 4.14%</u>	<u>Decreasing to 5.14%</u>
Total OPEB Liability	\$ 126,193,545	\$ 153,347,230	\$ 189,201,492

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 \$8,596,118.

At June 30, 2024 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

5. POSTEMPLOYMENT BENEFITS OBLIGATION PAYABLE

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 15,909,962
Changes of assumptions	26,523,881	35,795,549
Contributions after measurement date	-	-
Total	\$ 26,523,881	\$ 51,705,511

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,

<u>Year</u>			
2025	\$	(2,055,966)	
2026		(2,055,970)	
2027		(2,904,606)	
2028		(2,904,610)	
2029		(6,752,269)	
Thereafter		(8,508,209)	
Total	\$	(25,181,630)	

6. EMPLOYEE BENEFIT ALLOCATION

Employee benefits expense for the year ended June 30, 2024 was allocated to specific functions as follows:

General Support	\$ 6,140,388
Instruction	34,084,899
Pupil Transportation	2,512,738
Total	\$ 42,738,025

7. TAX ABATEMENTS

All real property in New York State is subject to taxation unless specific legal provision grant it exempt status. Real property exemptions are granted on the basis of many different criteria, including the use to which the property is put, the owner's ability to pay taxes, the desire of the state and local governments to encourage certain economic or social activities, and other considerations. Most exemptions are granted under Article 4 of the Real Property Tax Law, but others are authorized by a wide variety of statutes ranging from Article 18-A of the Real Property Tax Law, the Agriculture and Markets Law and the Transportation Law. Certain exemptions provide full relief from taxation

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

7. TAX ABATEMENTS

(wholly exempt property) and others reduce the taxes which would otherwise be payable by varying degrees (partially exempt property). Some exemptions apply to taxes levied for county, city/town, and school purposes, whereas others pertain only to certain of these purposes. Some tax exemptions are mandated by State law, others are subject to local option and/or local determination of eligibility criteria.

The District has three real property tax abatement agreements entered into by the Town of Colonie IDA. These agreements provide for abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT) in compliance with tax exemption policy. PILOTs are granted in accordance with various activities such as new affordable housing construction, purchase of an existing facility, development of a new facility, or the improvement, or expansion of an existing facility to promote job creation or retention. There are no policies for recapture of PILOTs should the applicant not meet certain criteria. The amount of property tax abated in the School District for the year ended June 30, 2024 was approximately \$881,200.

PILOT revenue recognized during the year was \$367,268.

8. LEASE ASSETS AND OBLIGATIONS

Lease Assets

The District leases various copiers and equipment, primarily through Capital Region Board of Cooperative Educational Services. The leases do not contain renewal options. The leases have various inception dates and remaining terms 40-60 months.

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

<u>Type</u>	<u>Balance 7/1/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2024</u>
<u>Lease Assets:</u>				
Equipment	\$ 1,389,696	\$ 309,934	\$ -	\$ 1,699,630
<i>Total Lease Assets</i>	<u>\$ 1,389,696</u>	<u>\$ 309,934</u>	<u>\$ -</u>	<u>\$ 1,699,630</u>
<u>Less Accumulated Amortization -</u>				
Equipment	\$ 406,665	\$ 37,828	\$ -	\$ 444,493
<i>Total Accumulated Amortization</i>	<u>\$ 406,665</u>	<u>\$ 37,828</u>	<u>\$ -</u>	<u>\$ 444,493</u>
<i>Total Lease Assets, Net</i>	<u>\$ 983,031</u>	<u>\$ 272,106</u>	<u>\$ -</u>	<u>\$ 1,255,137</u>

Lease amortization expense of \$37,828 is allocated to instruction.

9. SUBSEQUENT EVENTS

The District has evaluated subsequent events through October 23, 2024, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2024 have been incorporated into these statements herein.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

10. PRIOR PERIOD ADJUSTMENT

During the yearend June 30, 2024, the District discovered an error in the reporting of capital assets. It was determined that the District had purchased buses that were received on June 29, 2023 that should have been reported on the third party fixed asset report as of June 30, 2023. The District recorded an adjustment to opening net position to adjust the capital asset balance accordingly which are reflected in the July 1, 2023 balances.

The District's net position has been restated as follows:

	Government-Wide <u>Statements</u>
Net position beginning of year, as previously stated	\$ (50,174,670)
Adjustments for capital assets - cost	<u>1,033,006</u>
Net position beginning of year, as restated	<u>\$ (49,141,664)</u>

Required Supplementary Information
NORTH COLONIE CENTRAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Equity
Budget and Actual - General Fund
For The Year Ended June 30, 2024

	<u>Original</u> <u>Budget</u>	<u>Amended</u> <u>Budget</u>	<u>Current</u> <u>Year's</u> <u>Revenues</u>	<u>Over (Under)</u> <u>Revised</u> <u>Budget</u>
REVENUES				
Local Sources -				
Real property taxes	\$ 93,268,268	\$ 89,829,276	\$ 89,703,009	\$ (126,267)
Real property tax items	367,034	3,806,026	3,848,460	42,434
Charges for services	2,345,860	2,345,860	2,670,345	324,485
Use of money and property	990,525	990,530	3,479,724	2,489,194
Sale of property and compensation for loss	113,000	120,983	220,072	99,089
Miscellaneous	500,983	519,204	804,496	285,292
State Sources -				
Basic formula	41,707,333	41,707,333	33,067,981	(8,639,352)
Lottery aid	-	-	9,067,779	9,067,779
BOCES	1,979,018	1,979,018	2,577,185	598,167
Textbooks	373,790	373,790	348,190	(25,600)
All Other Aid -				
Computer software	193,809	193,809	96,242	(97,567)
Library loan	42,275	42,275	43,312	1,037
Other aid	270,000	270,000	287,379	17,379
Federal Sources	<u>150,000</u>	<u>150,000</u>	<u>176,979</u>	<u>26,979</u>
TOTAL REVENUES	<u>\$ 142,301,895</u>	<u>\$ 142,328,104</u>	<u>\$ 146,391,153</u>	<u>\$ 4,063,049</u>
Other Sources -				
Transfer - in	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL REVENUES AND OTHER SOURCES	<u>\$ 142,301,895</u>	<u>\$ 142,328,104</u>	<u>\$ 146,391,153</u>	<u>\$ 4,063,049</u>
Appropriated reserves	<u>\$ 785,000</u>	<u>\$ 785,000</u>		
Appropriated fund equity	<u>\$ 3,900,000</u>	<u>\$ 3,900,000</u>		
Prior year encumbrances	<u>\$ 1,341,578</u>	<u>\$ 1,341,578</u>		
TOTAL REVENUES AND APPROPRIATED RESERVES/ FUND EQUITY	<u>\$ 148,328,473</u>	<u>\$ 148,354,682</u>		

Required Supplementary Information
NORTH COLONIE CENTRAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Equity -
Budget and Actual - General Fund
For The Year Ended June 30, 2024

	Original	Amended	Current		Unencumbered
	<u>Budget</u>	<u>Budget</u>	<u>Year's</u>	<u>Encumbrances</u>	<u>Balances</u>
			<u>Expenditures</u>		
EXPENDITURES					
General Support -					
Board of education	\$ 108,795	\$ 123,865	\$ 118,419	\$ -	\$ 5,446
Central administration	383,976	579,502	573,392	-	6,110
Finance	1,098,116	1,150,231	1,109,912	29,020	11,299
Staff	1,092,030	1,058,212	948,903	-	109,309
Central services	11,151,695	10,802,328	9,850,917	509,761	441,650
Special items	1,066,698	1,172,572	1,124,084	-	48,488
Instructional -					
Instruction, administration and improvement	9,536,561	9,794,035	9,463,382	799	329,854
Teaching - regular school	43,325,683	44,618,107	42,357,702	113,217	2,147,188
Programs for children with handicapping conditions	13,484,091	13,534,332	13,011,587	-	522,745
Occupational education	-	-	-	-	-
Teaching - special schools	326,807	337,712	322,152	-	15,560
Instructional media	3,942,428	3,927,117	3,505,312	7,639	414,166
Pupil services	8,050,295	7,901,786	7,529,940	23,480	348,366
Pupil Transportation	7,086,041	7,023,817	5,616,730	986,278	420,809
Community Services	-	58,500	22,504	-	35,996
Employee Benefits	39,598,407	34,107,372	31,880,340	-	2,227,032
Debt service - principal	4,385,000	4,385,000	4,385,000	-	-
Debt service - interest	3,351,850	3,351,850	3,335,675	-	16,175
TOTAL EXPENDITURES	<u>\$ 147,988,473</u>	<u>\$ 143,926,338</u>	<u>\$ 135,155,951</u>	<u>\$ 1,670,194</u>	<u>\$ 7,100,193</u>
Other Uses -					
Transfers - out	\$ 340,000	\$ 4,428,344	\$ 428,343	\$ -	\$ 4,000,001
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 148,328,473</u>	<u>\$ 148,354,682</u>	<u>\$ 135,584,294</u>	<u>\$ 1,670,194</u>	<u>\$ 11,100,194</u>
NET CHANGE IN FUND EQUITY	\$ -	\$ -	\$ 10,806,859		
FUND EQUITY, BEGINNING OF YEAR	<u>44,584,411</u>	<u>44,584,411</u>	<u>44,584,411</u>		
FUND EQUITY, END OF YEAR	<u>\$ 44,584,411</u>	<u>\$ 44,584,411</u>	<u>\$ 55,391,270</u>		

Required Supplementary Information
NORTH COLONIE CENTRAL SCHOOL DISTRICT
Schedule of Changes in Total OPEB Liability
For The Year Ended June 30, 2024

TOTAL OPEB LIABILITY							
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 6,490,085	\$ 6,159,457	\$ 8,941,062	\$ 9,547,384	\$ 6,678,614	\$ 6,681,773	\$ 6,432,823
Interest	6,246,982	5,526,342	4,138,890	4,069,763	4,998,530	4,905,782	4,743,137
Changes in benefit terms	-	-	-	-	(4,238,775)	-	-
Differences between expected and actual experiences	(352,929)	(5,922,629)	(341,035)	(13,708,908)	(3,479,392)	(6,399,771)	-
Changes of assumptions or other inputs	(2,003,710)	(7,555,174)	(42,207,342)	11,321,299	38,108,364	13,188,887	(16,141,063)
Benefit payments	<u>(3,567,426)</u>	<u>(3,223,329)</u>	<u>(3,294,887)</u>	<u>(3,026,395)</u>	<u>(3,345,660)</u>	<u>(2,122,353)</u>	<u>(2,082,479)</u>
Net Change in Total OPEB Liability	\$ 6,813,002	\$ (5,015,333)	\$ (32,763,312)	\$ 8,203,143	\$ 38,721,681	\$ 16,254,318	\$ (7,047,582)
Total OPEB Liability - Beginning	\$ 146,534,228	\$ 151,549,561	\$ 184,312,873	\$ 176,109,730	\$ 137,388,049	\$ 121,133,731	\$ 128,181,313
Total OPEB Liability - Ending	\$ 153,347,230	\$ 146,534,228	\$ 151,549,561	\$ 184,312,873	\$ 176,109,730	\$ 137,388,049	\$ 121,133,731
Covered Employee Payroll	\$ 76,169,790	\$ 76,987,758	\$ 67,307,561	\$ 60,579,875	\$ 61,532,625	\$ 60,538,298	\$ 61,443,643
Total OPEB Liability as a Percentage of Covered Employee Payroll	201.32%	190.33%	225.16%	304.25%	286.21%	226.94%	197.15%

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

Required Supplementary Information
NORTH COLONIE CENTRAL SCHOOL DISTRICT
Schedules of the Proportionate Share of the Net Pension (Liability) Asset
For The Year Ended June 30, 2024

NYSERS Pension Plan										
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension (liability) assets	0.0497%	0.0498%	0.0442%	0.0455%	0.0451%	0.0450%	0.0468%	0.0494%	0.0517%	0.0508%
Proportionate share of the net pension (liability) assets	\$ (7,315,721)	\$ (10,675,000)	\$ 3,610,000	\$ (45,000)	\$ (11,943,000)	\$ (3,187,000)	\$ (1,509,000)	\$ (4,639,000)	\$ (8,297,000)	\$ (1,716,000)
Covered-employee payroll	\$ 18,431,589	\$ 17,174,000	\$ 15,361,000	\$ 15,564,000	\$ 15,225,000	\$ 15,268,000	\$ 14,946,000	\$ 14,573,000	\$ 14,718,000	\$ 14,365,000
Proportionate share of the net pension (liability) assets as a percentage of its covered-employee payroll	-39.691%	-62.158%	23.501%	-0.289%	-78.443%	-20.874%	-10.096%	-31.833%	-56.373%	-11.946%
Plan fiduciary net position as a percentage of the total pension liability	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%
NYSTRS Pension Plan										
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension (liability) assets	0.3098%	0.3098%	0.2983%	0.2967%	0.2940%	0.2848%	0.2805%	0.2832%	0.2832%	0.2812%
Proportionate share of the net pension (liability) assets	\$ (3,542,503)	\$ (5,945,000)	\$ 51,694,000	\$ (8,200,000)	\$ 7,639,000	\$ 5,150,000	\$ 2,132,000	\$ (3,033,000)	\$ (29,411,000)	\$ (31,318,000)
Covered-employee payroll	\$ 61,625,250	\$ 57,213,000	\$ 54,885,000	\$ 50,633,000	\$ 50,365,000	\$ 49,576,000	\$ 46,372,000	\$ 45,295,000	\$ 42,534,000	\$ 41,530,000
Proportionate share of the net pension (liability) assets as a percentage of its covered-employee payroll	-5.748%	-10.391%	94.186%	-16.195%	15.167%	10.388%	4.598%	-6.696%	-69.147%	-75.411%
Plan fiduciary net position as a percentage of the total pension liability	99.20%	98.57%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%

Required Supplementary Information
NORTH COLONIE CENTRAL SCHOOL DISTRICT
Schedules of District Contributions
For The Year Ended June 30, 2024

NYSERS Pension Plan

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 2,099,428	\$ 2,100,000	\$ 1,691,000	\$ 2,173,000	\$ 2,186,000	\$ 2,122,000	\$ 2,160,000	\$ 2,205,000	\$ 2,660,000	\$ 2,781,000
Contributions in relation to the contractually required contribution	(2,099,428)	(2,100,000)	(1,691,000)	(2,173,000)	(2,186,000)	(2,122,000)	(2,160,000)	(2,205,000)	(2,660,000)	(2,781,000)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$18,431,589	\$17,174,000	\$15,361,000	\$15,564,000	\$15,225,000	\$15,268,000	\$14,946,000	\$14,573,000	\$14,718,000	\$14,365,000
Contributions as a percentage of covered-employee payroll	11.39%	12.23%	11.01%	13.96%	14.36%	13.90%	14.45%	15.13%	18.07%	19.36%

NYSTRS Pension Plan

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 5,887,130	\$ 5,887,000	\$ 5,379,000	\$ 4,825,000	\$ 5,212,000	\$ 4,547,000	\$ 5,209,000	\$ 5,794,000	\$ 7,456,000	\$ 6,749,000
Contributions in relation to the contractually required contribution	(5,887,130)	(5,887,000)	(5,379,000)	(4,825,000)	(5,212,000)	(4,547,000)	(5,209,000)	(5,794,000)	(7,456,000)	(6,749,000)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$61,625,250	\$57,213,000	\$54,885,000	\$50,633,000	\$50,365,000	\$49,576,000	\$46,372,000	\$45,295,000	\$42,534,000	\$41,530,000
Contributions as a percentage of covered-employee payroll	9.55%	10.29%	9.80%	9.53%	10.35%	9.17%	11.23%	12.79%	17.53%	16.25%

Supplementary Information
NORTH COLONIE CENTRAL SCHOOL DISTRICT
Schedule of Changes From Adopted Budget To Final Budget
And The Schedule of Real Property Tax Limit
For The Year Ended June 30, 2024

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET:

Adopted budget	\$ 146,986,895
Prior year's encumbrances	<u>1,341,578</u>
Original Budget	148,328,473
Budget revisions -	
Donations	18,225
Insurance Recoveries	<u>7,984</u>
FINAL BUDGET	<u><u>\$ 148,354,682</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION:

2024-25 voter approved expenditure budget	\$ 154,092,414
<u>Unrestricted fund equity:</u>	
Assigned fund equity	\$ 6,506,587
Unassigned fund equity	<u>6,163,699</u>
Total Unrestricted fund equity	<u>\$ 12,670,286</u>
<u>Less adjustments:</u>	
Appropriated fund equity	\$ 4,836,393
Encumbrances included in assigned fund equity	<u>1,670,194</u>
Total adjustments	<u>\$ 6,506,587</u>
General fund fund equity subject to Section 1318 of	
Real Property Tax Law	<u>6,163,699</u>
ACTUAL PERCENTAGE	<u><u>4.00%</u></u>

Supplementary Information
NORTH COLONIE CENTRAL SCHOOL DISTRICT
Schedule of Project Expenditures - Capital Projects Fund
For The Year Ended June 30, 2024

Project Title	Project Number	Expenditures					Unexpended Balance	Methods of Financing				Fund Balance	
		Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total		Obligations	Local Sources	State Sources	Total		
Blue Creek	0003-007	\$ 172,833	\$ 2,141,194	\$ 2,034,700	\$ -	\$ 2,034,700	\$ 106,494	\$ -	\$ -	\$ -	\$ -	\$ (2,034,700)	
Blue Creek	0003-008	150,000	150,000	129,208	-	129,208	20,792	-	129,208	-	-	129,208	-
Blue Creek	0003-009	49,828	49,828	71,441	-	71,441	(21,613)	-	49,828	-	-	49,828	(21,613)
Loudonville	0004-008	420	197,164	2,930,490	-	2,930,490	(2,733,326)	2,812,339	-	-	-	2,812,339	(118,151)
Loudonville	0004-009	4,121	50,000	70,000	-	70,000	(20,000)	-	50,000	-	-	50,000	(20,000)
Loudonville	0004-010	439,603	439,603	260,143	-	260,143	179,460	-	439,603	-	-	439,603	179,460
Shaker High School	0005-010	1,240,000	685,150	1,566,332	-	1,566,332	(881,182)	-	1,566,332	-	-	1,566,332	-
Shaker High School	0005-011	983,546	1,842,818	7,358,402	-	7,358,402	(5,515,584)	7,230,170	-	-	-	7,230,170	(128,232)
Shaker High School	0005-012	945,000	945,000	319,030	-	319,030	625,970	-	319,030	-	-	319,030	-
Shaker High School	0005-013	23,489	23,489	265,954	-	265,954	(242,465)	-	285,000	-	-	285,000	19,046
Shaker High School	0005-014	1,992,512	9,321,203	11,251,521	-	11,251,521	(1,930,318)	11,251,521	-	-	-	11,251,521	-
Shaker High School	0005-015	-	4,285	-	-	-	4,285	-	-	-	-	-	-
Shaker High School	0005-016	84,848	84,848	252,694	-	252,694	(167,846)	-	84,848	-	-	84,848	(167,846)
Shaker High School	0005-018	-	110,475	818,546	2,476,198	3,294,744	(3,184,269)	-	-	-	-	-	(3,294,744)
Southgate	0006-006	636,526	4,744,382	5,406,958	-	5,406,958	(662,576)	1,827,551	-	-	-	1,827,551	(3,579,407)
Southgate	0006-007	100,000	100,000	67,455	-	67,455	32,545	-	67,455	-	-	67,455	-
Southgate	0006-008	30,907	30,907	265,119	-	265,119	(234,212)	-	375,000	-	-	375,000	109,881
Southgate	0006-009	48,076	48,076	62,642	-	62,642	(14,566)	-	48,076	-	-	48,076	(14,566)
Boght Hills	0007-004	1,167,595	5,206,530	5,042,484	-	5,042,484	164,046	-	-	-	-	-	(5,042,484)
Boght Hills	0007-005	290,000	290,000	240,541	-	240,541	49,459	-	240,541	-	-	240,541	-
Boght Hills	0007-006	12,775	12,775	140,341	-	140,341	(127,566)	-	155,000	-	-	155,000	14,659
Boght Hills	0007-007	40,200	40,200	50,534	-	50,534	(10,334)	-	40,200	-	-	40,200	(10,334)
Forts Ferry	0008-006	420	434,643	4,309,804	-	4,309,804	(3,875,161)	-	-	-	-	-	(4,309,804)
Forts Ferry	0008-007	75,000	75,000	225,870	-	225,870	(150,870)	-	225,870	-	-	225,870	-
Forts Ferry	0008-008	21,016	21,016	278,744	-	278,744	(257,728)	-	255,000	-	-	255,000	(23,744)
Forts Ferry	0008-009	234,844	234,844	84,798	-	84,798	150,046	-	234,844	-	-	234,844	150,046
Shaker Junior High	0009-006	13,646,400	51,884,913	56,441,854	-	56,441,854	(4,556,941)	52,645,970	3,744,524	-	-	56,390,494	(51,360)
Shaker Junior High	0009-008	40,000	40,000	18,884	-	18,884	21,116	-	18,884	-	-	18,884	-
Shaker Junior High	0009-009	33,791	33,791	46,482	-	46,482	(12,691)	-	410,000	-	-	410,000	363,518
Shaker Junior High	0009-010	-	15,739	352,116	-	352,116	(336,377)	-	-	-	-	-	(352,116)
Shaker Junior High	0009-011	74,619	74,619	53,334	-	53,334	21,285	-	74,619	-	-	74,619	21,285
Shaker Junior High	0009-012	-	324,425	154,389	832,508	986,897	(662,472)	-	-	-	-	-	(986,897)
Latham Ridge	0011-006	420	282,394	4,323,121	-	4,323,121	(4,040,727)	-	775,342	-	-	775,342	(3,547,779)
Latham Ridge	0011-007	15,000	15,000	3,917	-	3,917	11,083	-	3,917	-	-	3,917	-
Latham Ridge	0011-008	131,456	131,456	1,002,038	-	1,002,038	(870,582)	-	1,595,000	-	-	1,595,000	592,962
Latham Ridge	0011-009	57,453	57,453	59,218	-	59,218	(1,765)	-	57,453	-	-	57,453	(1,765)
Maplewood Emergency 2019	0030-002	-	-	64,037	-	64,037	(64,037)	-	64,323	-	-	64,323	286
Goodrich	1002-002	20,604	250,000	528,755	-	528,755	(278,755)	-	250,000	-	-	250,000	(278,755)
Goodrich	1002-003	52,736	52,736	56,058	-	56,058	(3,322)	-	56,058	-	-	56,058	-
Goodrich	1002-004	43,776	43,776	34,929	-	34,929	8,847	-	43,776	-	-	43,776	8,847
Storage Building	2034-001	2,819	219,922	232,178	-	232,178	(12,256)	-	-	-	-	-	(232,178)
Bus Garage	5015-004	33,201	419,852	609,256	-	609,256	(189,404)	-	-	-	-	-	(609,256)

Supplementary Information
NORTH COLONIE CENTRAL SCHOOL DISTRICT
Schedule of Project Expenditures - Capital Projects Fund
For The Year Ended June 30, 2024

Project Title	Project Number	Expenditures					Unexpended Balance	Methods of Financing				Fund Balance
		Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total		Obligations	Local Sources	State Sources	Total	
Bus Garage	5015-005	\$ 500,000	\$ 500,000	\$ 470,033	\$ -	\$ 470,033	\$ 29,967	\$ -	\$ 470,033	\$ -	\$ 470,033	\$ -
Bus Garage	5015-006	6,181	6,181	328,680	-	328,680	(322,499)	-	75,000	-	75,000	(253,680)
Bus Garage	5015-008	96,753	96,753	108,164	-	108,164	(11,411)	-	96,753	-	96,753	(11,411)
Pressbox	7033-001	249,817	497,575	358,215	-	358,215	139,360	-	-	-	-	(358,215)
Concession Building	7035-001	48,624	968,299	1,095,475	-	1,095,475	(127,176)	-	(299,615)	-	(299,615)	(1,395,090)
Girls Dugout	7036-001	3,933	46,643	54,836	-	54,836	(8,193)	-	-	-	-	(54,836)
Boys Dugout	7037-001	3,933	46,643	54,836	-	54,836	(8,193)	-	-	-	-	(54,836)
District Wide Telephone	7999-002	2,053	12,018	417,474	-	417,474	(405,456)	-	417,474	-	417,474	-
District Wide SSBA	7999-BA1	447,703	447,703	536,067	-	536,067	(88,364)	-	490,178	-	490,178	(45,889)
District Wide SSBA	7999-EQU	358,211	358,211	765,453	-	765,453	(407,242)	-	765,453	-	765,453	-
District Wide Construction	Various	-	-	348,245	-	348,245	(348,245)	25,660,055	748,775	-	26,408,830	26,060,585
Lease Expense		-	-	-	309,934	309,934	(309,934)	-	309,934	-	309,934	-
TOTAL		\$ 24,613,042	\$ 84,109,532	\$ 112,021,795	\$ 3,618,640	\$ 115,640,435	\$ (31,530,903)	\$ 101,427,606	\$ 14,733,716	\$ -	\$ 116,161,322	\$ 520,887

Supplementary Information
NORTH COLONIE CENTRAL SCHOOL DISTRICT
Schedule of Net Investment in Capital and Lease Assets
June 30 2024

Capital and lease assets, net		\$ 158,973,900
 Add:		
Cash on hand	\$ 529,421	
Investments	<u>1,708,946</u>	
		2,238,367
 Deduct:		
Bond payable	\$ 91,280,000	
Retainage payable	181,661	
Unamortized bond premium	<u>4,563,055</u>	
		<u>96,024,716</u>
 Net Investment in Capital and Lease Assets		 <u>\$ 65,187,551</u>



BUSINESS
ADVISORS
AND CPAS

**INDEPENDENT AUDITORS REPORT ON THE 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***

The President and Members
of the Board of Education of
North Colonie 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 (*Government Auditing Standards*), the financial statements of the government activities and each major fund of North Colonie Central School District (the "District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 23, 2024.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District'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 preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. We did however, identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 an instance of noncompliance or other matter that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2024-002.

Districts Responses to Findings

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

Purpose of This Report

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

Mengel, Metzger, Baw & Co. LLP

Latham, NY

October 23, 2024



BUSINESS
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**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

The President and Members of the Board of Education of
North Colonie Central School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the North Colonie Central School District's (the District) 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 the District's major federal programs for the year ended June 30, 2024. The North Colonie 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, the North Colonie Central School District complied, in all material respects, with the 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 the District and to meet our 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 for the 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 the 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 the District's compliance based on our audit. Reasonable assurance is a high level of assurance but it is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *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 the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 the 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 the 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 the 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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-003 to be a significant deficiency.

Our audit was not designed for the purposes of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. *Government Auditing Standards* require the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Mengel, Metzger, Barw & Co. LLP

Latham, NY

October 23, 2024

Supplementary Information
NORTH COLONIE CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2024

<u>Grantor / Pass - Through Agency</u> <u>Federal Award Cluster / Program</u>	<u>Federal Assistance Listing Number</u>	<u>Grantor Number</u>	<u>Pass-Through to Subrecipients</u>	<u>Total Expenditures</u>
<u>U.S. Department of Education:</u>				
<u>Indirect Programs:</u>				
<u>Passed Through NYS Education Department -</u>				
<u>Special Education Cluster IDEA -</u>				
Special Education - Grants to States (IDEA, Part B)	84.027	0032-24-0022	\$ -	\$ 1,472,157
Special Education - Preschool Grants (IDEA Preschool)	84.173	0033-24-0022	-	32,893
Total Special Education Cluster IDEA			<u>\$ -</u>	<u>\$ 1,505,050</u>
<u>Education Stabilization Fund -</u>				
CRRSA - ESSER 2 - COVID 19	84.425D	5891-21-0035	\$ -	966
ARP - ESSER 3 - COVID 19	84.425U	5880-21-0035	-	156,215
ARP - Homeless II - COVID 19	84.425U	5218-21-0035	-	9,322
ARP - Homeless II SL - COVID 19	84.425U	5219-21-0035	-	4,900
ARP - Full Day UPK Expansion - COVID 19	84.425U	5870-24-9208	-	507,600
Total Education Stabilization fund			<u>\$ -</u>	<u>\$ 679,003</u>
Title IIA - Supporting Effective Instruction State Grant	84.367	0147-24-0035	\$ -	\$ 139,543
Title IIA - Supporting Effective Instruction State Grant	84.367	0147-23-0035	-	805
Total Title IIA - Supporting Effective Instruction State Grant			<u>-</u>	<u>140,348</u>
Title IIIA - English Language Acquisition	84.365	0293-24-0035	-	54,831
Title IIIA - English Language Acquisition	84.365	0293-23-0035	-	3,055
Title IIIA - Immigrant Education	84.365	0149-24-0035	-	21,754
Total Title IIIA - English Language Acquisition			<u>-</u>	<u>79,640</u>
Title IV - Student Support and Enrichment Program	84.424	0204-24-0035	-	36,539
Title IV - Student Support and Enrichment Program	84.424	0204-23-0035	-	3,001
Total Title IV - Student Support and Enrichment Program			<u>-</u>	<u>39,540</u>
Title I - Grants to Local Educational Agencies	84.010	0021-24-0035	-	628,958
Title I - Grants to Local Educational Agencies	84.010	0021-23-0035	-	3,492
Total Title I			<u>-</u>	<u>632,450</u>
Total U.S. Department of Education			<u>\$ -</u>	<u>\$ 3,076,031</u>
<u>U.S. Department of Agriculture:</u>				
<u>Indirect Programs:</u>				
<u>Passed Through NYS Education Department (Child Nutrition Services) -</u>				
<u>Child Nutrition Cluster -</u>				
National School Lunch Program	10.555	Not applicable	\$ -	\$ 1,239,877
National School Lunch Program Supply Chain - COVID 19	10.555	Not applicable	-	154,246
National School Lunch Program-Non-Cash Assistance (Commodities)	10.555	Not applicable	-	220,245
National School Snack Program	10.555	Not applicable	-	19,140
Summer Food Service Program	10.559	Not applicable	-	48,799
National School Breakfast Program	10.553	Not applicable	-	359,335
Total Child Nutrition Cluster			<u>\$ -</u>	<u>\$ 2,041,642</u>
Total U.S. Department of Agriculture			<u>\$ -</u>	<u>\$ 2,041,642</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ -</u>	<u>\$ 5,117,673</u>

See accompanying notes to the schedule of expenditures of federal awards.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of federal award programs administered by North Colonie Central School District (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). This Schedule only presents a selected portion of the operations of the District.

2. SUMMARY OF 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.

3. SCOPE OF AUDIT

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

4. NON-CASH ASSISTANCE

Nonmonetary assistance is reported in the Schedule at the fair value of the commodities received and disbursed. For the year ended June 30, 2024, the District received food commodities totaling \$220,245.

5. INDIRECT COST RATE

The North Colonie Central School District did not elect to use the 10% de minimus cost rate, because the major programs did not have any indirect costs charged.

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 for the data presented. The District's policy is not to charge federal award programs with indirect costs.

6. SUB-RECIPIENTS

The District provided no federal awards to sub-recipients during the year ended June 30, 2024.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes x_no
- Significant deficiency(ies) identified? x yes none reported

Noncompliance material to financial statements noted? x yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes x_no
- Significant deficiency(ies) identified? x yes none reported

Type of auditor's report issued on compliance for major programs unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes no

Identification of major programs:

Federal Assistance Listing

<u>Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027 and 84.173	Special Education Cluster
84.010	Title I – Grants to Local Educational Agencies

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? x yes no

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

Section II: Financial Statement Findings

Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards:

Significant Deficiency

2024-001 Audit Adjustments

Statement of Condition: Adjusting journal entries were proposed as a result of audit procedures and to properly reflect year end balances.

Criteria: To accurately present the financial position of the District, general ledger accounts should be reconciled and agreed to final audited financial statements.

Cause of Condition: It appears the District agreed the general ledger to a draft copy of the audited financial statements and adjustments were made in the finalized audit that were not reflected in the Districts general ledger.

Effect of Condition: In the General Fund, fund balance was overstated and reserve for debt was understated by \$3,423,245. In the Capital Projects Fund, fund balance was overstated and revenue was understated by \$710,000.

Context: The District had agreed the general ledger to draft financial statement numbers not final numbers.

Recommendation: We recommend that management preform a detailed review of the financial statements to ensure the general ledger balances agree to the final audited financial statement balances.

Views of Responsible Officials and Planned Corrective Action: As of October 11, 2024, the District has performed a detailed review of the audited financial statements to ensure the general ledger balances agree to the final audited financial statement balances.

Noncompliance Material to the Financial Statements

2024-002 Compliance with School Food Service Resource Management

Criteria: According to the code of federal regulations section CFR § 210.14 (b) the school food authority shall limit its net cash resources to no more than 3 months' worth of average expenditures.

Statement of Condition: The fund balance of the school lunch fund exceeds 3 months of the average expenditure of the fund by approximately \$669,000.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

Section II: Financial Statement Findings

Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards:

Noncompliance Material to the Financial Statements

2024-002 Compliance with School Food Service Resource Management (continued)

Cause: The cumulative effect of expenditures being less than revenue for a number of years was impacted by the increase in federal reimbursement rates and funding.

Effect of Condition: The District was not in compliance with federal guidelines.

Context: As part of audit procedures, the compliance with this federal guideline is reviewed.

Recommendation: The District should develop a plan regarding how to address and use the excess in future years. The District is required to submit a plan to the Child Nutrition Program Administration detailing how the District will reduce the fund balance to an acceptable level.

Views of responsible officials and planned corrective actions: The Food Service Supervisor will develop a plan detailing how the District will reduce the fund balance to an acceptable level. Effective July 1, 2024, USDA has approved the New York State Education Department (SED) to increase the net cash resource limitation to six months average operating expenditures. A new plan will be developed by December 16, 2024.

Section III: Federal Award Findings and Questioned Costs

Findings and questioned costs related to Federal Awards which are required to be reported in accordance with 2CFR 200.516(a):

Significant Deficiency

2024-003 Special Education Cluster – Procurement

Information on Federal Program: U.S. Department of Education Special Education Cluster (Special Education – Grants to State (IDEA, Part B) and Special Education – Preschool Grants (IDEA Preschool) Assistance Listing numbers 84.027 and 84.173) passed through the New York State Education Department.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

Section III: Federal Award Findings and Questioned Costs

Findings and questioned costs related to Federal Awards which are required to be reported in accordance with 2CFR 200.516(a):

Significant Deficiency

2024-003 Special Education Cluster – Procurement (continued)

Criteria: CFR Section 200.318 stipulates that a non-Federal entity must use its own documented procurement procedures which reflect applicable state, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in Part 200 Subpart D. Additionally, 2 CFR Section 200.213 stipulates that no awards, subawards, or contracts be awarded to parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

Statement of Condition: During our discussions with management and testing of various vendors, we noted that the District is not following its procurement procedures for the Special Education program purchases and is not verifying the eligibility of vendors to participate in Federal assistance programs on an annual basis.

Statement of Cause: The District did not review compliance requirements related to procurement outlined in 2 CFR Section 200.318 and Section 200.213.

Statement of Effect: The District is not in compliance with 2 CFR Section 200.213. The District is not performed required procedures, as a result, vendors that are not eligible for participation in Federal assistance programs or activities could be selected or the District could be overpaying for goods and services.

Questioned Costs: None

Perspective Information: As part of required procurement testing, a review of vendors charged to the special education cluster and therefore represents purchases with federal dollars was performed. Of the District's vendors charged to the fund, none were suspended or debarred from participation in Federal assistance programs or activities.

Repeat Finding: No

Recommendation: We recommend that the District review the requirements of 2 CFR Section 200.213 and ensure that their procurement procedures are being followed and that a review of the eligibility of potential vendors to participate in Federal assistance programs or activities is performed prior to disbursing funds to the vendor.

Views of the Responsible Officials and Planned Corrective Actions: As of November 1, 2024, the District will have implemented a process to determine the eligibility of potential vendors to participate in Federal assistance programs or activities prior to disbursing funds.

**NORTH COLONIE CENTRAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024**

2023-001 Stewardship and Compliance

Statement of Condition: General fund unrestricted fund balance exceeded 4% of the subsequent year's budget.

Status: This item has been corrected



BUSINESS
ADVISORS
AND CPAS

October 23, 2024

To the President and Members of
Board of Education
North Colonie Central School District

We have audited the financial statements of North Colonie Central School District as of and for the year ended June 30, 2024 and have issued our report thereon dated October 23, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated June 28, 2024, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of North Colonie Central School District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting and noncompliance during our audit in a separate letter to you or within the schedule of findings and questions costs report dated October 23, 2024.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence. Safeguards in place to eliminate or reduce threats to independence to an acceptable level include a skilled, knowledgeable, and experienced Assistant Superintendent for Business who reviews draft financial statements, data collection form, and lease adjustments prior to issuance and accepts responsibility for them.

Significant Risks Identified

Professional auditing standards require that we identify and assess risks and design and perform our audit procedures to assess those risks. The identification of a risk does not mean that it has occurred, but rather it has the potential to impact the financial statements. We have identified the following significant risks: management override of controls, financial reporting bias and compliance with the uniform guidance based on their potential significance to the financial statements.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by North Colonie Central School District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments. The most sensitive accounting estimates affecting the financial statements are:

1. Management's estimate of the compensated absences is based upon accumulated sick days, rates of pay and the probability of retirement.
2. Management's estimate of the other postemployment benefits and related deferred inflows/outflows is based on an actuarial calculation provided by a third party.
3. Management's estimate of the net pension asset/liability and deferred outflows/inflows is based on actuarial assumptions provided by the individual state plans.

We evaluated the factors and assumptions used to develop the estimates above and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting North Colonie Central School District's financial statements related to the other postemployment benefits and pension plans.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The material misstatements we identified as a result of our audit procedures and attached to this letter, were brought to the attention of, and corrected by management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to North Colonie Central School District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in a separate letter dated October 23, 2024.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with North Colonie Central School District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material

misstatement. None of the matters discussed resulted in a condition to our retention as North Colonie Central School District's auditors.

Existence of a Material Modification that Affects the Financial Statements of a Prior Period in Which There Was a Predecessor Auditor

We have identified the existence of a material misstatement that affects the prior period financial statements on which the predecessor auditor had previously reported without modification.

The misstatement relates to \$1,033,006 of bus purchases that should have been capitalized on the Statement of Net Position at June 30, 2023, instead of reported as an expense in the statement of activities. There was no impact on the governmental funds financial statements.

We have modified the auditor's report by adding an emphasis of a matter paragraph referencing this misstatement and referring to Note 10.

Modification of the Extraclassroom Activity Fund Auditor's Report

We have modified our extraclassroom activity fund auditor's report for a qualified opinion and emphasis of a matter for basis of accounting.

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

Very truly yours,



MENGEL, METZGER, BARR & CO. LLP

North Colonie Central School District
Listing of Corrected Misstatements
June 30, 2024

Account	Description	Debit	Credit
General Fund			
Adjusting Journal Entries JE # 1			
To reclass for the reserve for debt to agree to the prior year financial statements			
A 909	FUND BALANCE, UNASSIGNED	3,423,245.00	
A 884	RESERVE FOR DEBT		3,423,245.00
Total		<u>3,423,245.00</u>	<u>3,423,245.00</u>
Capital Projects Fund			
Adjusting Journal Entries JE # 2			
To adjust fund balance for bond anticipation note payment related to prior year that was actually paid 7/15/23			
H 909	FUND BALANCE, UNRESERVED	710,000.00	
H 5731	BAN REDEEMED FROM APPROPRIATIONS		710,000.00
Total		<u>710,000.00</u>	<u>710,000.00</u>

NORTH COLONIE CENTRAL SCHOOL DISTRICT

91 Fiddlers Lane
LATHAM, NY 12110

October 11, 2024

NYS Education Department
Office of Audit Services
89 Washington Avenue
Room 524EB
Albany, NY 12234

Office of the NYS Comptroller
Division of Local Government Services
& Economic Development
Data Verification Unit, 12th Floor
110 State Street
Albany, NY 12236

**Re: School District Audit Corrective Action Plan
Financial Statements and Supplementary Information and Extra Classroom Activity Funds
Reports on Compliance for Major Federal Programs and Internal Control over Compliance
FYE June 30, 2024**

To Whom it May Concern:

The North Colonie Central School District has received the external audit and single audit management letter for the fiscal year ending June 30, 2024. Pursuant to the NYS Commissioner's regulation, the school district is implementing the following corrective measures.

Section II: Financial Statement Findings

Audit Adjustments – Finding #2024-001:

Recommendation – We recommend that management perform a detailed review of the financial statements to ensure the general ledger balances agree to the final audited financial statement balances.

Corrective Action Plan – As of October 11, 2024, the district has performed a detailed review of the audited financial statements to ensure the general ledger balances agree to the final audited financial statement balances.

Person Responsible for Implementing the CAP – Tracey Freemantle, District Treasurer

Compliance with School Food Service Resource Management – Finding #2024-002:

Recommendation – The District should develop a plan regarding how to address and use the excess in future years. The District is required to submit a plan to the Child Nutrition Program Administration detailing how the District will reduce the fund balance to an acceptable level.

Corrective Action Plan – The Food Service Supervisor will develop a plan detailing how the District will reduce the fund balance to an acceptable level. Effective July 1, 2024, USDA has approved the New York State Education Department (SED) to increase the net cash resource limitation to six months average operating expenditures. A new plan will be developed by December 16, 2024.

Person Responsible for Implementing the CAP – Lisa Ostrowski, Food Service Director
Person Responsible for Overseeing CAP Implementation – Tracey Freemantle, District Treasurer

Section III: Federal Award Findings and Questioned Costs

Special Education Cluster – Procurement – Finding #2024-003:

Recommendation - We recommend that the District review the requirements of 2 CFR Section 200.213 and ensure that their procurement procedures are being followed and that a review of the eligibility of potential vendors to participate in Federal assistance programs or activities is performed prior to disbursing funds to the vendor.

Corrective Action Plan – As of November 1, 2024, the District will have implemented a process to determine the eligibility of potential vendors to participate in Federal assistance programs or activities prior to disbursing funds.

Person Responsible for Implementing the CAP – Tracey Freemantle, District Treasurer

Please contact me if you are in need of any further information.

Sincerely,

Cybil C. Howard
Assistant Superintendent for Business
North Colonie Central School District
(518) 785-8591
cybil.howard@nccsk12.org