

EAST RAMAPO CENTRAL SCHOOL DISTRICT

Basic Financial Statements,
Supplementary Information and
Independent Auditors' Report

June 30, 2024

EAST RAMAPO CENTRAL SCHOOL DISTRICT

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INDEPENDENT AUDITORS' REPORT

The Board of Education
East Ramapo Central School District:

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the additional information on pages 60 through 64 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying other supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 18, 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 District's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
November 18, 2024

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The following is a discussion and analysis of the East Ramapo Central School District’s (the District) 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 District-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.

1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2024 are as follows:

- On the District-wide financial statements, the District’s total net deficit decreased by \$46,573,799, or 15.17% to a deficit of \$260,374,611. This was due to an excess of revenues over expenses based on the accrual basis of accounting.
- On the District-wide financial statements, revenues increased by \$40,746,113, or 10.35%. The increase was primarily attributed to increases in operating grants and contributions, State sources, and use of money and property offset by a decrease in other revenue.
- On the District-wide financial statements, expenses increased by \$34,523,680, or 9.77%, primarily due to increases in general support, instruction, and pupil transportation expenses offset by a decrease in debt service – interest expense.
- On the governmental funds financial statements, the general fund total fund balance increased by \$32,752,518. Unassigned fund balance as of June 30, 2024 was \$31,283,167. The amount is in excess of the 4% limit allowed by Section 1318 Real Property Tax Law.
- As of June 30, 2024, the District has fully expended its allocation of \$66,722,803 under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) and \$101,455,065 of its allocation under the American Rescue Plan (ARP) in the amount of \$149,958,322 for Elementary and Secondary School Emergency Relief Program (ESSER). The District expects to expend the remaining amounts in the 2024-2025 school year.
- On June 18, 2024 the proposed 2024-2025 budget in the amount of \$331,881,985 was authorized by the District’s residents. This is an increase of \$36,276,223 or 12.27% from the previous year’s budget, and includes a 1% tax levy increase from that of the prior year. The budget passed by 53.50% of those who voted.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: management’s discussion and analysis (this section), the basic financial statements, required supplementary information and other supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District’s *overall* financial status.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the operations in *more detail* than the District-wide statements.
 - The *governmental fund financial statements* tell how basic services such as regular and special education were financed in the *short-term* as well as what remains for future spending.
 - The *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a trustee or custodian for the benefit of others, including the employees of the District.

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

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

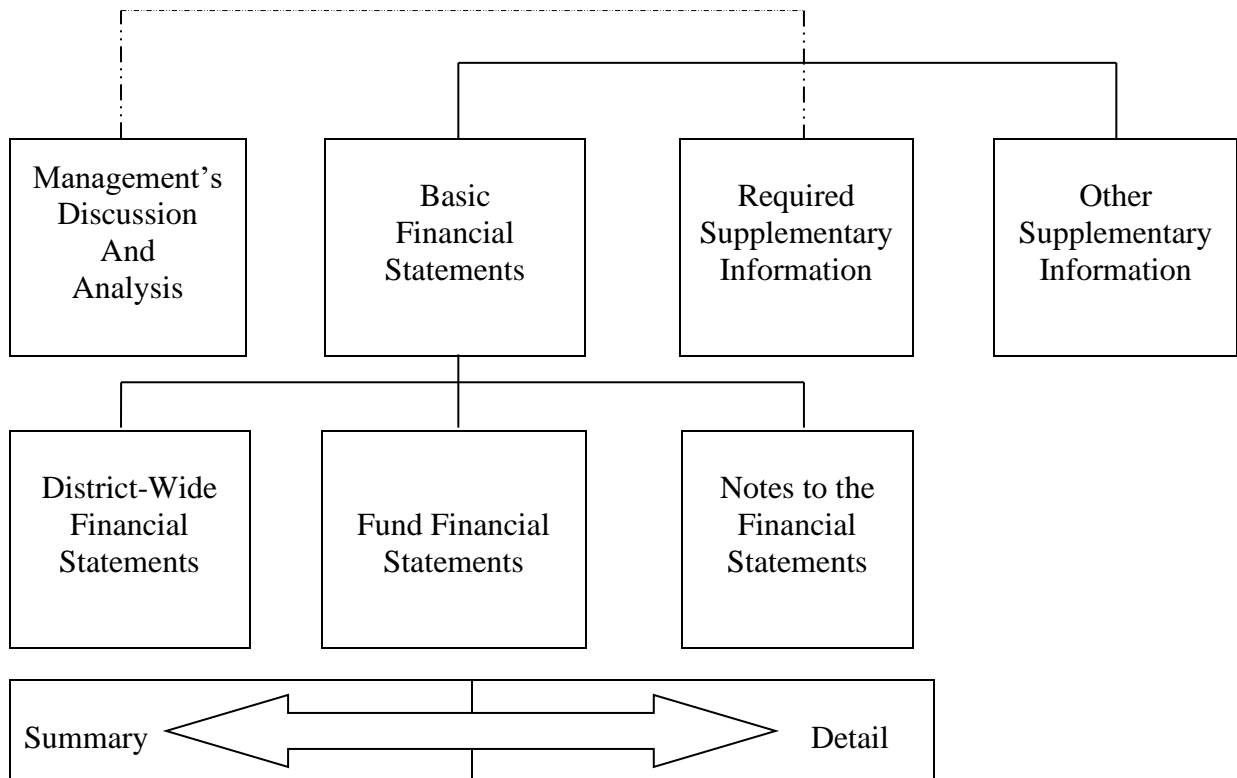


Table A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities that they cover and the types of information that they contain. The remainder of this overview section of Management’s Discussion and Analysis highlights the structure and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

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

	District-wide Financial Statements	Fund Financial Statements	
		Governmental	Fiduciary
Scope	Entire entity (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as instruction, special education and building maintenance	Instances in which the District administers resources on behalf of others
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 Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual and current financial resources measurement focus	Accrual accounting and economic resources focus
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 and outflow information	All revenues and expenses during the year; regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter; 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

A. District-Wide Financial Statements:

The District-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District’s assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year’s revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The two District-wide financial statements report the District's net position and how it has changed. Net position, the difference between the assets and 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 and decreases in the District's net position is an indicator of whether the financial position is improving or deteriorating, respectively.
- For assessment of the overall health of the District, additional non-financial factors such as changes in the District's property tax base and the condition of buildings and other facilities should be considered.

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

Net position of the governmental activities differ 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 (money) are expended to purchase or build said 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.

District-wide financial statements are reported utilizing an economic resources measurement focus and full accrual basis of accounting that involves the following steps to format the Statement of Net Position:

- Capitalize current outlays for capital assets;
- Report long-term debt as a liability;
- Depreciate capital assets and allocate the depreciation to the proper program/activities;
- Calculate revenue and expense using the economic resources measurement focus and the accrual basis of accounting; and
- Allocate net position balances as follows:
 - *Net investment in capital assets*;
 - *Restricted net position* are those with constraints placed on the use by external sources (creditors, grantors, contributors or laws or regulations of governments) or approved by law through constitutional provisions or enabling legislation.
 - *Unrestricted net position (deficit)* includes net amounts that do not meet any of the above restrictions.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

B. Fund Financial Statements:

The Fund financial statements provide more detailed information about the District’s funds. Funds are accounting devices that the District uses to keep track of specific revenue sources and spending on particular programs. The funds have been established by the laws of the State of New York.

The District has two kinds of funds:

- *Governmental funds:* Most of the 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 fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the programs of the District. Because this information does not encompass the additional long-term focus of the District-wide financial statements, additional information in separate schedules explains the relationship (or differences) between them. In summary, the governmental fund statements focus primarily on the sources, uses, and balances of current financial resources and often has a budgetary orientation. Included are the general fund, special aid fund, school food service fund, the special revenue fund, capital projects fund and the debt service fund. Required statements are the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances.
- *Fiduciary funds:* The District is the trustee or *fiduciary* for assets that belong to others. The 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 District excludes these activities from the District-Wide financial statements because it cannot use these assets to finance its operations. Fiduciary fund reporting focuses on net position and changes in net position. This fund reports real property taxes collected on behalf of other governments and disbursed to those governments.

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

The District’s total net deficit decreased by \$46,573,799 between fiscal year 2024 and 2023, as detailed in Table A-3.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

	Fiscal Year <u>2024</u>	Fiscal Year <u>2023</u>	Increase (Decrease)	Percentage Change
Current and other assets	\$ 143,808,739	95,531,777	48,276,962	50.53%
Capital assets, net of accumulated depreciation	<u>117,243,710</u>	<u>91,070,010</u>	<u>26,173,700</u>	28.74%
Total Assets	261,052,449	186,601,787	74,450,662	39.90%
Deferred outflows of resources	<u>86,618,607</u>	<u>94,661,367</u>	<u>(8,042,760)</u>	(8.50%)
Total Assets and Deferred Outflows of Resources	<u>\$ 347,671,056</u>	<u>281,263,154</u>	<u>66,407,902</u>	23.61%
Current liabilities	\$ 50,574,424	43,157,359	7,417,065	17.19%
Long-term liabilities	51,962,648	54,845,019	(2,882,371)	(5.26%)
Net pension liabilities - proportionate share	12,040,998	20,263,620	(8,222,622)	(40.58%)
Total other post-employment benefits obligation	<u>443,527,331</u>	<u>424,042,975</u>	<u>19,484,356</u>	4.59%
Total Liabilities	558,105,401	542,308,973	15,796,428	2.91%
Deferred inflows of resources	<u>49,940,266</u>	<u>45,902,591</u>	<u>4,037,675</u>	8.80%
Total Liabilities and Deferred Inflows of Resources	<u>608,045,667</u>	<u>588,211,564</u>	<u>19,834,103</u>	3.37%
Net investment in capital assets	63,649,690	46,195,034	17,454,656	37.78%
Restricted	23,889,562	22,554,519	1,335,043	5.92%
Unrestricted (deficit)	<u>(347,913,863)</u>	<u>(375,697,963)</u>	<u>27,784,100</u>	7.40%
Total Net position (deficit)	<u>(260,374,611)</u>	<u>(306,948,410)</u>	<u>46,573,799</u>	15.17%
Total Liabilities, Deferred Inflows of Resources and Net Position (deficit)	<u>\$ 347,671,056</u>	<u>281,263,154</u>	<u>66,407,902</u>	23.61%

Current and other assets increased by \$48,276,962 or 50.53%, as compared to the prior year. This was primarily due to increases in unrestricted and restricted cash, as well as increases in State and Federal aid receivable and due from other governments.

Capital assets, net increased by \$26,173,700 or 28.74%, as compared to the prior year. This increase is the result of current year asset acquisitions in excess of depreciation expense. See accompanying Notes to Financial Statements, Note 10 “Capital Assets” for additional information.

Deferred outflows of resources decreased by \$8,042,760 or 8.50%, as compared to the prior year. Deferred outflows of resources represents contributions to the pension subsequent to the measurement dates and actuarial adjustments of the pension and total other post-employment benefit (OPEB) plans that will be amortized in future years. See accompanying Notes to Financial Statements, Note 13 “Pension Plans” and Note 15 “Other Post-employment Benefits (OPEB) Other than Pensions” for additional information.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Current liabilities increased by \$7,417,065 or 17.19%, as compared to the prior year. This increase was primarily due to increases in accounts payable and due to other governments, offset by decreases in accrued liabilities and collections in advance.

Long-term liabilities decreased by \$2,882,371 or 5.26%, as compared to the prior year. This decrease was primarily due principal payments on bonds and amortization of bond premiums, and a decrease in ERS stabilization program liability, offset by increases compensated absences and worker’s compensation claims payables.

Net pension liabilities - proportionate share decreased by \$8,222,622 or 40.58%, as compared to the prior year. This decrease is due to fluctuations in the actuarially determined net pension liability of the NYSERS and NYSTRS. This was the result of several factors including differences between expected and actual experience, changes in the assumptions related to the pension plans, net difference between projected and actual earnings on pension plan investments and, any change in the District’s proportionate share to the plans as a whole. See accompanying Notes to Financial Statements, Note 13 “Pension Plans” for additional information.

The District’s OPEB obligation increased over the prior year by \$19,484,356 or 4.59%, as compared to the prior year. This was the result from several factors including service cost, interest, and differences between expected and actual experience, offset by changes in assumptions or other inputs and the District’s benefit payments. See accompanying Notes to Financial Statements, Note 15 “Other Post-employment Benefits (OPEB) Other than Pensions” for additional information.

Deferred inflows of resources increased by \$4,037,675 or 8.80%, as compared to the prior year. The increase is due to increases related to actuarial adjustments at the pension plan level and in total other post-employment benefits liability, that will be amortized in future years. See accompanying Notes to Financial Statements, Note 13 “Pension Plans” and Note 15 “Other Post-employment Benefits (OPEB) Other than Pensions” for additional information.

The net investment in capital assets relates to the investment in capital assets at cost such as land, construction in progress, buildings and building improvements, and furniture and equipment, net of depreciation and related debt. This number increased from the prior year by \$17,454,656 or 37.78% as compared to the prior year. The increase is due to capital asset additions and principal payments on related debt in excess of depreciation.

The restricted amount of \$23,889,562 relates to the District’s restricted reserves. This balance increased over the prior year by \$1,335,043 or 5.92%, as compared to the prior year. See section 4 of this management’s discussion and analysis, financial analysis of the District’s funds for further details.

The unrestricted net position (deficit) in the amount of \$(347,913,863) relates to the balance of the District’s net position (deficit). The unrestricted net position (deficit) decreased from the prior year by \$27,784,100 or 7.40%. Net position overall increased by \$46,573,799.

B. Changes in Net Position

The results of operations as a whole are reported in the Statement of Activities. A summary of this statement for the years ended June 30, 2024 and 2023 are as follows:

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

	Fiscal Year <u>2024</u>	Fiscal Year <u>2023</u>	Increase (Decrease)	Percentage Change
Revenues				
Program Revenues				
Charges for services	\$ 831,777	362,979	468,798	129.15%
Operating grants and contributions	134,603,380	125,882,075	8,721,305	6.93%
Capital grants and contributions	61,352	473,429	(412,077)	(87.04%)
General Revenues				
Property taxes and other tax items	154,811,689	155,043,915	(232,226)	(0.15%)
State sources	137,278,347	103,006,158	34,272,189	33.27%
Use of money and property	4,714,025	3,587,150	1,126,875	31.41%
Other	<u>2,263,026</u>	<u>5,461,777</u>	<u>(3,198,751)</u>	(58.57%)
Total Revenues	<u>434,563,596</u>	<u>393,817,483</u>	<u>40,746,113</u>	10.35%
Expenses				
General support	29,253,409	23,486,051	5,767,358	24.56%
Instruction	286,470,147	262,889,870	23,580,277	8.97%
Pupil transportation	61,386,393	55,620,415	5,765,978	10.37%
Community services	376,732	137,769	238,963	173.45%
Food service program	8,499,056	7,926,942	572,114	7.22%
Debt service - interest	<u>2,004,060</u>	<u>3,405,070</u>	<u>(1,401,010)</u>	(41.14%)
Total Expenses	<u>387,989,797</u>	<u>353,466,117</u>	<u>34,523,680</u>	9.77%
Total Change in Net Position	<u>\$ 46,573,799</u>	<u>40,351,366</u>	<u>6,222,433</u>	15.42%

The District’s total fiscal year 2024 revenues were \$434,563,596 (See Table A-4). Property taxes and other tax items, and State sources accounted for 35.62% and 31.59% of the total revenues, respectively (See Table A-5). The remainder came from charges for services, operating grants and contributions, capital grants and contributions, use of money and property and other miscellaneous sources.

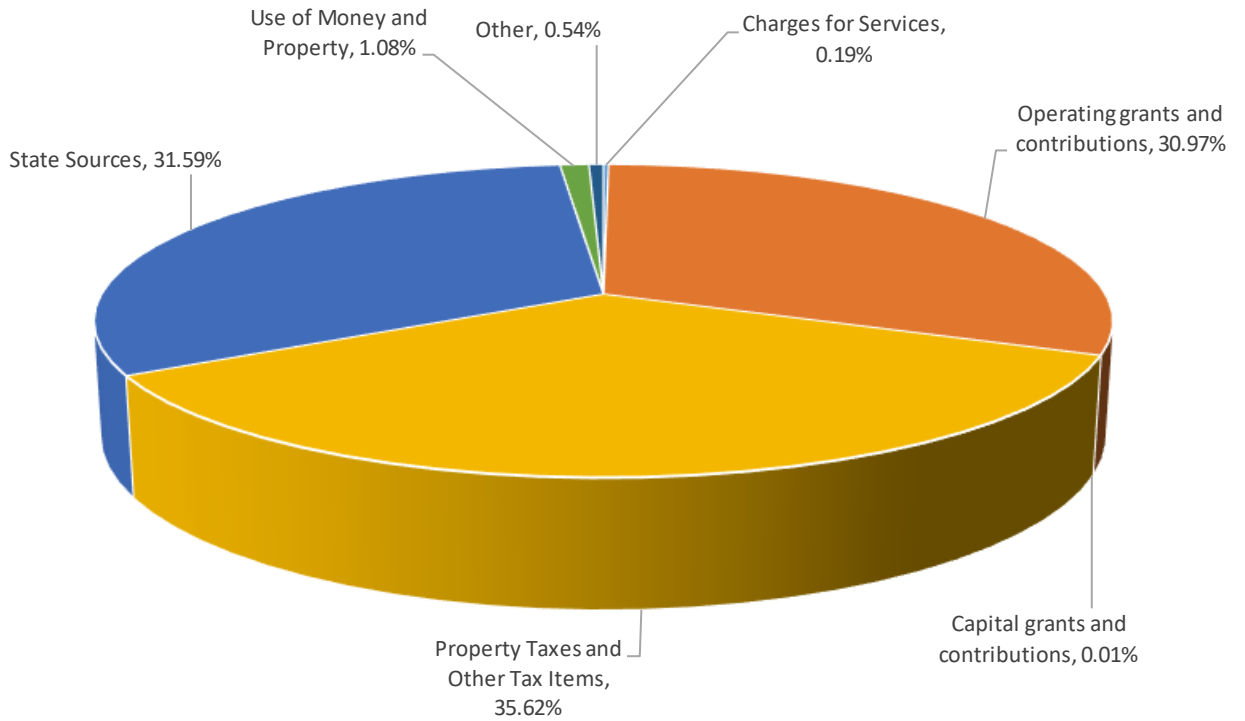
The District’s revenues increased by \$40,746,113, or 10.35%, which is primarily attributable to increases in operating grants and contributions, State sources, and use of money and property offset by a decrease in other miscellaneous sources. Operating grants and contributions increased by \$8,721,305 as a result of CRSSA and ARP grants. State sources increased by \$34,272,189 primarily as a result of increases in general aid, excess cost aid, lottery aid, and other State aid, offset by a decrease in tuition aid.

The total cost of all programs and services totals \$387,989,797 for fiscal year 2024. These expenses are predominantly related to instruction expenses and caring for (pupil services) and transporting students, which account for 89.65% of District expenses (See Table A-6). The District’s general support activities accounted for 7.54% of total costs.

The District’s expenses for the year increased by \$34,523,680, or 9.77%, which is primarily attributable to increases in general support of \$5,767,358 or 24.56%, instruction of \$23,580,277 or 8.97%, and pupil transportation of \$5,765,978, or 10.37%, offset by a decrease in debt service – interest of \$1,401,010 or 41.14%.

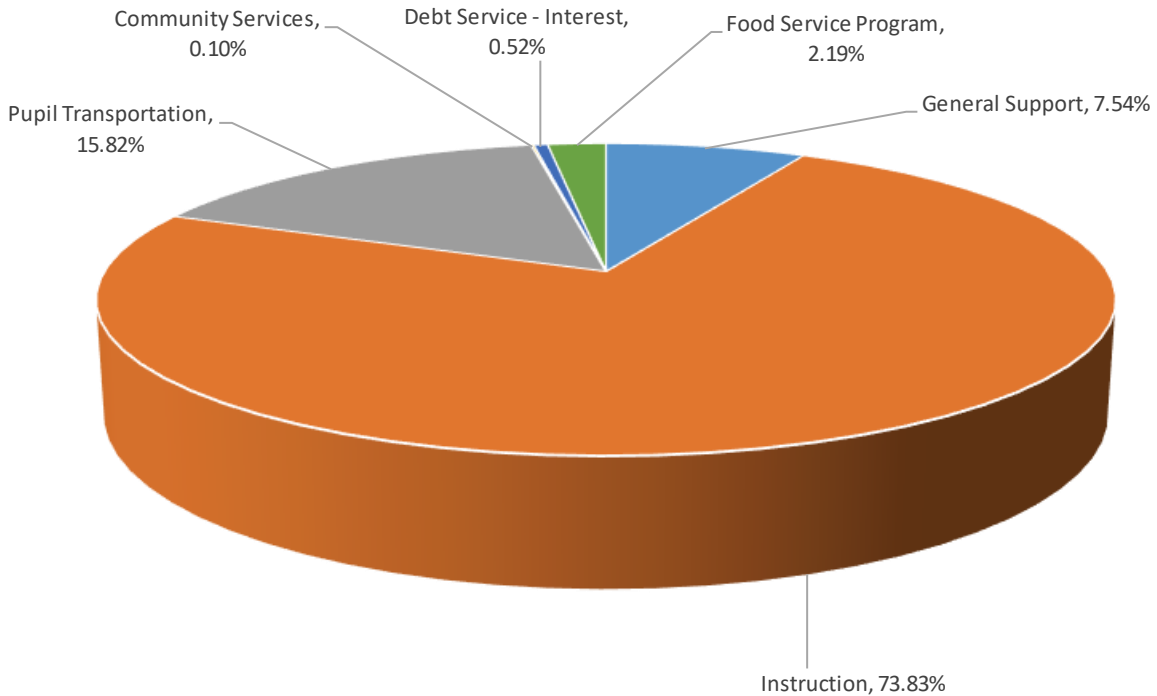
**EAST RAMAPO CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Table A-5: Revenues for Fiscal Year 2024 (see Table A-4):



**EAST RAMAPO CENTRAL SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Table A-6: Expenses for Fiscal Year 2024 (see Table A-4):



4. FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

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

At June 30, 2024, the District’s governmental funds reported a combined fund balance of \$88,417,518, which is an increase of \$40,109,549 over the prior year. This increase is due to an increase in fund balance in the general fund, school food service fund, special revenue fund, and capital projects fund offset by a decrease in the debt service fund. A summary of the change in fund balance by fund is as follows:

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Fiscal Year <u>2024</u>	Fiscal Year <u>2023</u>	Increase (Decrease)	Percentage Change
General Fund				
Restricted for workers' compensation	\$ 3,194,354	3,000,000	194,354	6.48%
Restricted for retirement contribution-NYSERS	12,777,417	12,000,000	777,417	6.48%
Restricted for retirement contribution-NYSTRS	2,314,987	2,174,136	140,851	6.48%
Restricted for employee benefit accrued liability	3,194,354	3,000,000	194,354	6.48%
Restricted for unemployment insurance	1,064,785	1,000,000	64,785	6.48%
Restricted for insurance	116,916	109,802	7,114	6.48%
Assigned - appropriated for: subsequent year's expenditures	18,020,846	-	18,020,846	100.00%
Assigned - unappropriated for: General support	61,672	73,886	(12,214)	(16.53%)
Instruction	102,690	-	102,690	100.00%
Unassigned fund balance	<u>31,283,167</u>	<u>18,020,846</u>	<u>13,262,321</u>	73.59%
Total Fund Balance - General Fund	<u>72,131,188</u>	<u>39,378,670</u>	<u>32,752,518</u>	83.17%
School Food Service Fund				
Nonspendable - inventory	44,293	68,405	(24,112)	(35.25%)
Assigned	<u>2,508,045</u>	<u>1,583,226</u>	<u>924,819</u>	58.41%
Total Fund Balance - School Food Service	<u>2,552,338</u>	<u>1,651,631</u>	<u>900,707</u>	54.53%
Special Revenue Fund				
Restricted for Scholarships	293,983	276,849	17,134	6.19%
Restricted for Extraclassroom and other Student Activities	<u>258,127</u>	<u>269,791</u>	<u>(11,664)</u>	(4.32%)
Total Fund Balance Special Revenue Fund	<u>552,110</u>	<u>546,640</u>	<u>5,470</u>	1.00%
Capital Projects Fund				
Restricted	4,129,732	4,240,127	(110,395)	(2.60%)
Assigned - Unappropriated	<u>8,377,511</u>	<u>1,766,960</u>	<u>6,610,551</u>	374.12%
Total Fund Balance - Capital Projects Fund	<u>12,507,243</u>	<u>6,007,087</u>	<u>6,500,156</u>	108.21%
Debt Service Fund - restricted	<u>674,639</u>	<u>723,941</u>	<u>(49,302)</u>	(6.81%)
Total Fund Balance-all funds	<u>\$ 88,417,518</u>	<u>48,307,969</u>	<u>40,109,549</u>	83.03%

The District can attribute changes to fund balances and reserves primarily due to Board approved transfers out to pay expenses, and allocation of interest and earnings.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

A. General Fund

The general fund - fund balance increased by \$32,752,518 during the year as compared to an increase of \$34,753,244 in the prior year. Actual operating revenues increased by \$24,188,133, mainly due to increases in real property taxes of \$1,381,184, use of money and property of \$1,119,037, and State sources of \$34,272,189 offset by decreases in other real property tax items of \$1,377,062, miscellaneous revenues of \$3,604,226, and federal sources of \$7,777,108. The debt service fund transferred \$53,055 to the general fund in accordance with the voter approved budget for 2023-2024.

Actual operating expenditures increased by \$18,195,700, mainly due to increases in general support of \$3,291,734, instruction of \$2,182,880, pupil transportation of \$6,275,606, community services of \$129,459, and employee benefits of \$8,033,168, offset by a decrease in debt service-principal of \$305,000 and debt service-interest of \$1,412,147. The general fund transferred \$999,195 to the special aid fund for summer handicapped and 4201 schools are required by statutory mandates and transferred \$6,604,205 to the capital projects fund in accordance with the voter approved budget for 2023-2024 and Board approved appropriation of unassigned fund balance for emergency repairs.

B. School Food Service Fund

The net change in the school food service fund – fund balance is an increase of \$900,707 during the year as compared to an operating surplus of \$600,780 in the prior year. This increase was primarily due to operating revenue in excess of expenditures.

C. Special Revenue Fund

The net change fund balance in the special revenue fund – fund balance is an increase of \$5,470 during the year as compared to an operating surplus of \$82,379 in the prior year. This increase is due to scholarships and extraclassroom, other student activities revenues exceeding expenditures.

D. Capital Projects Fund

The net change in the capital projects fund – fund balance is an increase of \$6,500,156, which is the result of other financing sources in excess of capital outlay for the year.

E. Debt Service Fund

The net change in the debt service – fund balance is a decrease of \$49,302, which is the result of a transfer to the general fund of \$53,055 for debt service payments in accordance with the voter approved 2023-2024 budget offset by interest earned for the year.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2023-2024 Adopted Budget

The District’s general fund original budget for the year ended June 30, 2024 was \$295,605,762. This amount was increased by carried forward encumbrances from prior year of \$73,886 and budget revisions of \$268,317, which resulted in a final budget of \$295,947,965. The majority of the funding for the final budget was estimated to come from property taxes and STAR revenues of \$154,097,735 and state aid of \$134,835,929.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

B. Change in General Fund’s Unassigned Fund Balance (Budget to Actual)

The general fund’s unassigned fund balance is a component to total fund balance that is the residual of prior years’ excess revenues over expenditures, net of transfers to reserves and designations to fund subsequent years’ budgets. It is this balance that is commonly referred to as “Fund Balance”. The change in this balance demonstrated through a comparison of the actual revenues and expenditures for the year compared to budget are as follows:

Opening, unassigned fund balance,	\$ 18,020,846
Revenues and other financing sources over budget	3,447,305
Expenditures, other financing uses, and encumbrances under budget	29,461,345
Appropriated fund balance	(246,608)
Allocation of interest to reserves	(1,378,875)
Assigned, appropriated for June 30, 2025 budget	<u>(18,020,846)</u>
Closing, unassigned fund balance	<u>\$ 31,283,167</u>

Opening, Unassigned Fund Balance

The \$18,020,846 shown in the table is the portion of the District’s June 30, 2023 fund balance that was retained as unassigned. The unassigned fund balance equaled 6.10% of the ensuing year’s budget, which exceeds the statutory maximum of 4.00% according to New York State Real Property Tax Law.

Revenues and Other Financing Sources Over Budget

The revenues and other financing sources over budget of \$3,447,305 were primarily attributable to use of money and property and State sources offset by charges for services and Medicaid reimbursement. (See Supplemental Schedule 1 for details).

Expenditures, Other Financing Uses, and Encumbrances Under Budget

The expenditures, other financing uses, and encumbrances under budget of \$29,461,345 were primarily in finance, staff, central services, special items, teaching-regular school, programs for children with disabilities, teaching-special schools, pupil services, pupil transportation, employee benefits, and debt service interest. (See Supplemental Schedule 1 for details).

Appropriated fund balance

During the current year, the Board authorized a transfer to the capital projects fund for emergency repairs due to health and safety concerns, resulting in a decrease in unassigned fund balance of \$246,608.

Interest Allocated to Reserves

Revenues such as interest earned in a general fund reserve increase the reserve and, therefore, decrease the unassigned portion of the general fund-fund balance. reserves earned interest as follows:

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Workers' compensation	\$ 194,354
Retirement contribution - NYSERS	777,417
Retirement contribution - NYSTRS	140,851
Employee benefit accrued liability	194,354
Unemployment insurance	64,785
Insurance	<u>7,114</u>
Total interest allocation	<u>\$ 1,378,875</u>

Closing, Unassigned Fund Balance

Based upon the summarized changes shown in the previous table, the District will begin the 2024-2025 fiscal year with an unassigned fund balance of \$31,283,167. This is an increase of \$13,262,321 in unassigned fund balance from the prior year. This amount is 9.43% of the 2024-2025 adopted budget and is over the statutory maximum established by New York State Real Property Tax Law. Management has reviewed and developed a plan to utilize any amounts over the 4% in the 2024-2025 fiscal year to meet other needs of the District.

6. CAPITAL ASSET AND DEBT ADMINISTRATION

A. Capital Assets

The District paid for equipment and various building additions and renovations during the fiscal year 2024. A summary of the District's capital assets net of depreciation are as follows:

Table A-8: Capital Assets (Net of Depreciation)

<u>Category</u>	<u>Fiscal Year 2024</u>	<u>Fiscal Year 2023</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Land	\$ 7,764,601	7,764,601	-	0.00%
Construction in progress	64,945,065	36,288,367	28,656,698	78.97%
Buildings and building improvements	128,530,818	127,630,909	899,909	0.71%
Furniture and equipment	<u>11,428,362</u>	<u>10,216,904</u>	<u>1,211,458</u>	11.86%
Subtotal	<u>212,668,846</u>	<u>181,900,781</u>	<u>30,768,065</u>	16.91%
Less accumulated depreciation	<u>95,425,136</u>	<u>90,830,771</u>	<u>4,594,365</u>	5.06%
Total net capital assets	<u>\$ 117,243,710</u>	<u>91,070,010</u>	<u>26,173,700</u>	28.74%

The District spent \$28,656,698 from the capital projects fund on building improvements and equipment, \$2,194,040 in the special aid fund, and \$16,449 from the general fund on building improvements, and furniture and equipment purchases during the year.

B. Debt Administration

At June 30, 2024, the District had total bonds payable, net of \$46,371,787, which represents a decrease of \$2,743,316 from the prior year. The decrease is due to the principal payments made during the current fiscal year and amortization of the premium. See Note 12 for more detailed information about the District's long-term debt.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

7. FACTORS BEARING ON THE DISTRICT’S FUTURE

- A. The general fund budget for the 2024-2025 school year in the amount of \$331,881,985 was approved by 53.50% of those who voted. This is an increase of \$36,276,223 or 12.27% over the previous year’s budget, and includes a 1% tax levy increase from that of the prior year.
- B. Future budgets may be negatively affected by certain trends impacting school districts. These factors include rising health care premiums, increased costs associated with meeting the requirements for instructional services, uncertainty with state aid and the enactment of the Real Property Tax Levy Limit Tax Cap Law by New York State which will continue to impact the District’s ability to fund its current cost of services (see below).
- C. The NYS Legislature introduced and approved a property tax cap beginning in the 2012-2013 school year. This law limits tax levy growth to the lesser of two percent or the annual increase in the CPI. Limited exemptions to exceed the levy cap are provided for taxes needed to pay for voter-approved capital expenditures, pension rate increases, court orders and torts over five percent of the prior year’s levy.

If the proposed tax levy exceeds the District’s tax levy cap, the threshold required for approval would be 60 percent of the vote. A school district that does not levy an amount up to the cap in any one year in certain circumstances would be allowed to carry over unused tax levy capacity into the next fiscal year. For the 2024-2025 school year budget, the District has not pierced the tax levy cap.

- D. The District has \$48,503,257 of Federal COVID-19 related grants remaining that are unspent as of June 30, 2024. The District was awarded a total of \$216,681,125 of Federal COVID-19 grants. There are no expected replacement grants and the District will have to eliminate the future related expenditures or absorb them into its general fund.

8. CONTACTING THE 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 District and to demonstrate our accountability with the money we receive. If you have any questions about this report or need additional financial information, contact:

East Ramapo Central School District
Eric Stark
Assistant Superintendent for Business
105 South Madison Avenue
Spring Valley, New York 10977
(845) 577-6000

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
JUNE 30, 2024**

ASSETS

Current assets

Cash		
Unrestricted	\$	46,810,761
Restricted		23,537,651
Receivables		
Taxes receivable		766,470
State and federal aid		70,502,121
Due from other governments		1,961,410
Accounts receivable		186,033
Inventories		44,293

Noncurrent assets

Capital assets		
Capital assets not being depreciated		72,709,666
Capital assets being depreciated, net of accumulated depreciation		<u>44,534,044</u>

TOTAL ASSETS 261,052,449

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources - NYSERS	5,814,117
Deferred outflows of resources - NYSTRS	45,831,189
Total other post-employment benefit obligation	<u>34,973,301</u>

TOTAL DEFERRED OUTFLOWS OF RESOURCES 86,618,607

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES \$ 347,671,056

LIABILITIES

Payables		
Accounts payable	\$	28,689,558
Accrued liabilities		1,537,266
Accrued interest payable		439,994
Due to fiduciary fund		87,910
Due to other governments		5,962,450
Due to teachers' retirement system		12,597,330
Due to employees' retirement system		740,841
Compensated absences payable		304,662
Unearned credits		
Collections in advance		214,413
Long-term liabilities		
Due and payable within one year		
Bonds payable, net		2,598,316
NYSERS stabilization program liability		303,284
Total other post-employment benefits obligation		15,014,367
Due and payable after one year		
Bonds payable, net		43,773,471
NYSERS stabilization program liability		673,703
Compensated absences payable		554,414
Workers' compensation claims payable		4,059,460
Net pension liability - proportionate share NYSERS		5,369,009
Net pension liability - proportionate share NYSTRS		6,671,989
Total other post-employment benefits obligation		<u>428,512,964</u>

TOTAL LIABILITIES 558,105,401

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources - NYSERS	3,370,677
Deferred inflows of resources - NYSTRS	3,944,285
Total other post-employment benefits obligation	<u>42,625,304</u>

TOTAL DEFERRED INFLOWS OF RESOURCES 49,940,266

NET POSITION

Net investment in capital assets 63,649,690

Restricted

Workers' compensation	3,194,354
Retirement contribution - NYS employees' retirement system	12,777,417
Retirement contribution - NYS teachers' retirement system	2,314,987
Employee benefit accrued liability	3,194,354
Unemployment insurance	1,064,785
Insurance	116,916
Debt service	674,639
Scholarships	293,983
Extraclassroom and other student activities	<u>258,127</u>

23,889,562

Unrestricted (deficit) (347,913,863)

TOTAL NET POSITION (DEFICIT) (260,374,611)

**TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES
AND NET POSITION (DEFICIT)** \$ 347,671,056

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<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>	
FUNCTIONS / PROGRAMS				
General support	\$ (29,253,409)	-	2,522,273	(26,731,136)
Instruction	(286,470,147)	768,685	121,653,716	(163,986,394)
Pupil transportation	(61,386,393)	-	1,204,548	(60,181,845)
Community services	(376,732)	-	-	(376,732)
Food service program	(8,499,056)	63,092	9,222,843	786,879
Debt service - interest	(2,004,060)	-	-	(2,004,060)
TOTAL FUNCTIONS AND PROGRAMS	<u>\$ (387,989,797)</u>	<u>831,777</u>	<u>134,603,380</u>	<u>(252,493,288)</u>
GENERAL REVENUES				
Real property taxes				148,216,734
Other tax items - including STAR reimbursement				6,594,955
Use of money and property				4,714,025
Sale of property and compensation for loss				99,002
Miscellaneous				1,652,050
State sources				137,278,347
Medicaid reimbursement				511,974
TOTAL GENERAL REVENUES				<u>299,067,087</u>
CHANGE IN NET POSITION				46,573,799
TOTAL NET POSITION (DEFICIT) - BEGINNING OF YEAR				<u>(306,948,410)</u>
TOTAL NET POSITION (DEFICIT) - END OF YEAR				<u>\$ (260,374,611)</u>

See Accompanying Notes to Financial Statements

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024**

	General	Special Aid	School Food Service	Special Revenue	Capital Projects	Debt Service	Total Governmental Funds
ASSETS							
Cash							
Unrestricted	\$ 45,092,994	1,613,911	103,856	-	-	-	46,810,761
Restricted	22,662,813	-	-	552,610	90,980	231,248	23,537,651
Receivables							
Taxes receivable	766,470	-	-	-	-	-	766,470
State and federal aid	5,411,968	61,818,180	743,062	-	2,528,911	-	70,502,121
Due from other governments	1,961,410	-	-	-	-	-	1,961,410
Accounts receivable	186,033	-	-	-	-	-	186,033
Due from governmental funds	57,577,816	-	2,484,975	-	23,768,228	443,391	84,274,410
Inventories	-	-	44,293	-	-	-	44,293
TOTAL ASSETS	\$ 133,659,504	63,432,091	3,376,186	552,610	26,388,119	674,639	228,083,149
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCE							
Payables							
Accounts payable	\$ 10,947,102	5,759,411	631,080	-	11,351,965	-	28,689,558
Accrued liabilities	1,463,562	73,016	688	-	-	-	1,537,266
Due to other governments	5,962,435	-	15	-	-	-	5,962,450
Due to governmental funds	26,696,594	57,577,316	-	500	-	-	84,274,410
Due to fiduciary fund	87,910	-	-	-	-	-	87,910
Due to teachers' retirement system	12,597,330	-	-	-	-	-	12,597,330
Due to employees' retirement system	740,841	-	-	-	-	-	740,841
Compensated absences	304,662	-	-	-	-	-	304,662
Unearned credits							
Collections in advance	-	22,348	192,065	-	-	-	214,413
TOTAL LIABILITIES	58,800,436	63,432,091	823,848	500	11,351,965	-	134,408,840
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	2,727,880	-	-	-	2,528,911	-	5,256,791
TOTAL DEFERRED INFLOWS OF RESOURCES	2,727,880	-	-	-	2,528,911	-	5,256,791
FUND BALANCES							
Nonspendable	-	-	44,293	-	-	-	44,293
Restricted							
Workers' compensation	3,194,354	-	-	-	-	-	3,194,354
Retirement contribution - NYS employees' retirement system	12,777,417	-	-	-	-	-	12,777,417
Retirement contribution - NYS teachers' retirement system	2,314,987	-	-	-	-	-	2,314,987
Employee benefit accrued liability	3,194,354	-	-	-	-	-	3,194,354
Unemployment insurance	1,064,785	-	-	-	-	-	1,064,785
Insurance	116,916	-	-	-	-	-	116,916
Debt service	-	-	-	-	-	674,639	674,639
Unspent debt proceeds	-	-	-	-	4,129,732	-	4,129,732
Scholarships	-	-	-	293,983	-	-	293,983
Extraclassroom and other student activities	-	-	-	258,127	-	-	258,127
Assigned							
Appropriated fund balance	18,020,846	-	-	-	-	-	18,020,846
Unappropriated fund balance	164,362	-	2,508,045	-	8,377,511	-	11,049,918
Unassigned							
Unassigned fund balance	31,283,167	-	-	-	-	-	31,283,167
TOTAL FUND BALANCES	72,131,188	-	2,552,338	552,110	12,507,243	674,639	88,417,518
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 133,659,504	63,432,091	3,376,186	552,610	26,388,119	674,639	228,083,149

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024**

Total Governmental Fund Balances \$ 88,417,518

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

The costs of the building and acquiring capital assets (land, buildings, equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, and their original costs are expensed annually over their useful lives.

Original cost of capital assets	\$ 212,668,846	
Accumulated depreciation	(95,425,136)	117,243,710

Deferred inflows of resources - The Statement of Net Position recognized revenues received under the full accrual method. Governmental funds recognize revenues under the modified accrual method.		5,256,791
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Proportionate share of long-term asset/liability, and deferred outflows and inflows associated with participation in the State retirement systems are not current financial resources or obligations and are not reported in the funds:

Proportionate share of net pension liability - NYSERS	(5,369,009)	
Proportionate share of net pension liability - NYSTRS	(6,671,989)	
Deferred outflows of resources - NYSERS and NYSTRS pension related	51,645,306	
Deferred inflows of resources - NYSERS and NYSTRS pension related	(7,314,962)	32,289,346

Long-term liability and related deferred outflows and inflows associated with total other post-employment benefit obligation are not current financial resources or obligations and are not reported in the funds:

Deferred outflows of resources - OPEB related	34,973,301	
Total other post-employment benefits obligation	(443,527,331)	
Deferred inflows of resources - OPEB related	(42,625,304)	(451,179,334)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Bonds payable, net	(46,371,787)	
ERS stabilization program liability	(976,987)	
Compensated absences payable	(554,414)	
Workers' compensation claims payable	(4,059,460)	(51,962,648)

Interest payable applicable to the District's activities are due and payable in the current period and accordingly are not reported in the fund financial statements. However, these liabilities are included in the Statement of Net Position.

(439,994)

Total Net Position (Deficit)		\$ (260,374,611)
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EAST RAMAPO CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General	Special Aid	School Food Service	Special Revenue	Capital Projects	Debt Service	Total Governmental Funds
REVENUES							
Real property taxes	\$ 147,951,673	-	-	-	-	-	147,951,673
Other tax items - including STAR reimbursement	6,594,955	-	-	-	-	-	6,594,955
Charges for services	42,180	-	-	320,157	-	-	362,337
Use of money and property	4,692,415	-	3,733	14,124	-	3,753	4,714,025
Sale of property and compensation for loss	99,002	-	-	-	-	-	99,002
Miscellaneous	1,622,052	5,800	21,138	3,060	-	-	1,652,050
Interfund revenues	160,979	-	-	-	-	-	160,979
State sources	137,278,347	15,595,256	592,459	-	-	-	153,466,062
Medicaid reimbursement	511,974	-	-	-	-	-	511,974
Federal sources	68,144	109,717,137	8,250,516	-	-	-	118,035,797
Surplus food	-	-	379,868	-	-	-	379,868
Sales	-	-	63,092	-	-	-	63,092
TOTAL REVENUES	299,021,721	125,318,193	9,310,806	337,341	-	3,753	433,991,814
EXPENDITURES							
General support	21,365,992	2,522,273	-	-	-	-	23,888,265
Instruction	119,191,620	94,037,918	-	331,871	-	-	213,561,409
Pupil transportation	60,297,380	1,204,548	-	-	-	-	61,501,928
Community services	216,497	-	-	-	-	-	216,497
Employee benefits	52,882,406	-	258,937	-	-	-	53,141,343
Debt service - principal	2,630,000	-	-	-	-	-	2,630,000
Debt service - interest	2,134,963	-	-	-	-	-	2,134,963
Cost of sales	-	-	8,151,162	-	-	-	8,151,162
Capital outlay	-	-	-	-	28,656,698	-	28,656,698
TOTAL EXPENDITURES	258,718,858	97,764,739	8,410,099	331,871	28,656,698	-	393,882,265
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES							
	40,302,863	27,553,454	900,707	5,470	(28,656,698)	3,753	40,109,549
OTHER FINANCING SOURCES AND USES							
Operating transfers in	53,055	999,195	-	-	35,156,854	-	36,209,104
Operating transfers (out)	(7,603,400)	(28,552,649)	-	-	-	(53,055)	(36,209,104)
TOTAL OTHER FINANCING SOURCES (USES)	(7,550,345)	(27,553,454)	-	-	35,156,854	(53,055)	-
NET CHANGE IN FUND BALANCES	32,752,518	-	900,707	5,470	6,500,156	(49,302)	40,109,549
FUND BALANCES - BEGINNING OF YEAR	39,378,670	-	1,651,631	546,640	6,007,087	723,941	48,307,969
FUND BALANCES - END OF YEAR	\$ 72,131,188	-	2,552,338	552,110	12,507,243	674,639	88,417,518

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Net Change in Fund Balance \$ 40,109,549

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

Long-Term Revenue and Expense Differences

Deferred inflows of resources - The Statement of Net Position recognized revenue received under the full accrual method. Governmental funds recognize revenue under the modified accrual method. 732,761

In the Statement of Activities, compensated absences are measured by the amounts earned or incurred during the year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used. Compensated absences payable for the fiscal year ended June 30, 2024 changed by: (55,268)

Workers' compensation claims payable in the Statement of Activities differs from the amounts reported in the governmental funds because the expense is recorded as an expenditure in the funds when it is due. In the Statement of Activities, the payable is recognized as it accrues regardless of when it is due. Workers' compensation claims payable for the fiscal year ended June 30, 2024 changed by: (119,980)

Claims payable in the Statement of Activities differs from the amounts reported in the governmental funds because the expense is recorded as an expenditure in the funds when it is due. In the Statement of Activities, the payable is recognized as it accrues regardless of when it is due. Claims payable for the fiscal year ended June 30, 2024 changed by: 21,209

Total other post-employment benefits obligation in the Statement of Activities differs from the amount reported in the governmental funds because the expense is recorded as an expenditure in the funds when it is due. In the Statement of Activities, the payable is recognized as it accrues regardless of when it is due. Total other post-employment benefits obligation for the fiscal year ended June 30, 2024 changed by: (19,484,356)

Deferred inflows related to total other post-employment benefits in the Statement of Activities require the use of current financial resources and therefore are not reported as expenditures in governmental funds. Deferred inflows related to total other post-employment benefits for the fiscal year ended June 30, 2024 changed by: (3,491,294)

Deferred outflows related to total net other post-employment benefits in the Statement of Activities require the use of current financial resources and therefore are not reported as expenditures in governmental funds. Deferred inflows related to total other post-employment benefits for the fiscal year ended June 30, 2024 changed by: 8,232,145

Capital Related Differences

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual depreciation expense in the Statement of Activities. This is the amount by which capital outlays exceeded depreciation in the period:

Capital outlays	\$ 30,867,187	
Loss on disposal	(27,688)	
Depreciation expense	<u>(4,665,799)</u>	26,173,700

Long-Term Debt Transaction Differences

Repayment of long-term debt is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.

Bonds payable	2,630,000	
ERS stabilization program liability	<u>293,094</u>	2,923,094

Governmental funds report the effect of premiums, discounts and similar items when long-term debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The amount of amortization on the bond premium is: 113,316

Interest on short and long-term debt in the Statement of Activities differs from the amounts reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statements of Activities, however, interest expense is recognized as the interest accrues regardless of when it is due. Accrued interest for the fiscal year ended June 30, 2024 changed by: 17,587

Pension Differences

Increases/decreases in proportionate share of net pension asset/liability and related deferred inflows and outflows 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.

New York State Employees' retirement system	(689,544)	
New York State Teachers' retirement system	<u>(7,909,120)</u>	<u>(8,598,664)</u>

Change in Net Position of Governmental Activities \$ 46,573,799

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2024**

	<u>Custodial Fund</u>
ASSETS - due from governmental funds	\$ 87,910
LIABILITIES - due to other governments	\$ 87,910

See Accompanying Notes to Financial Statements

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Custodial Fund</u>
ADDITIONS - Real property taxes collected for Public Library	\$ 8,605,116
DEDUCTIONS - Real property taxes disbursed to Public Library	<u>8,605,116</u>
CHANGE IN NET POSITION	-
NET POSITION - BEGINNING OF YEAR	<u>-</u>
NET POSITION - END OF YEAR	<u><u>\$ -</u></u>

See Accompanying Notes to Financial Statements

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of East Ramapo Central School District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) for governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Significant accounting principles and policies utilized by the District are described as follows:

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 nine (9) members. The Board of Education serves as the legislative body and has the authority to make decisions, power to appoint management, and primary accountability for all fiscal matters. In addition, the Board is responsible for, and controls all activities related to public school education within the District. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer.

The reporting entity of the District is based upon criteria set forth by GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34*. 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, there are no other entities that would be included in the District's reporting entity.

B) Joint venture:

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

BOCES are organized under Section §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 Section-§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 Section §119-n(a) of the New York State General Municipal Law.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

A BOCES' budget is comprised of separate budgets for administrative, program and capital costs. Each component district's share of administrative, program, and capital costs is determined by resident public school district enrollment, as defined in the New York State Education Law, Section §1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

C) Basis of presentation:

i) District-Wide Financial 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 interfund transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants and contributions include operating-specific and discretionary (either operating or capital) grants and contributions, while capital grants and contributions include capital specific grants, if applicable.

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

ii) Fund Financial Statements:

The fund financial 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.

The District financial statements reflect the following major funds:

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

Special Aid Fund: This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

School Food Service Fund: This fund is used to account for the activities of the District's school lunch operations, which are supported by federal and state grants and charges to participants for its services.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Special Revenue Fund: This fund is used to account for assets held by the District in accordance with grantor or contributor stipulations. Other activities included in this fund are scholarships and extraclassroom and other student activities.

Capital Projects Fund: These funds are used to account for the financial resources used for acquisition, construction, renovation, or major repair of capital facilities and other capital assets, such as equipment.

Debt Service Fund: This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities. When a capital asset is sold and all or a portion of the bonds used to finance the capital asset are outstanding, this fund must be used to account for the proceeds from the sale of capital assets up to the balance of related bonds outstanding.

The District reports the following fiduciary fund:

Fiduciary Funds: This fund is used to account for fiduciary activities. Fiduciary activities are those in which the District acts as trustee or custodian 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. The District's fiduciary fund includes the custodial fund, where assets and liabilities are held by the District as a custodian. This fund reports real property taxes collected on behalf of other governments and disbursed to those governments, and utilizes the economic resources measurement focus and the accrual basis of accounting.

D) Measurement focus and basis of accounting:

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

The District-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. 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 fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 180 days after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

E) Real property taxes:

Calendar

Real property taxes are levied annually by the Board and become a lien on July 1st. The District's tax levy is collected by the Towns of Ramapo, Clarkstown, and Haverstraw, and are remitted to the District September 1st through October 31st, after which collection responsibility is transferred to the County as discussed below.

Enforcement

Uncollected real property taxes are subsequently enforced by the Rockland County, New York (the County). The County pays an amount representing uncollected real property taxes to the District no later than the following April 1st.

F) Restricted resources:

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

G) Interfund transactions:

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

In the District-Wide Financial 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 fund). Eliminations have been made for all interfund receivables and payables between governmental 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 11 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

H) Estimates:

The preparation of financial statements in conformity GAAP requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities and deferred inflows of resources, and disclosure of contingencies at the date of the financial statements and the reported revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, claims payable, net pension liabilities – proportionate share, potential contingent liabilities, other postemployment benefits, and useful lives of capital assets.

I) Cash and cash equivalents:

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

J) Restricted cash:

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

K) Receivables:

Receivables are shown net of allowance for uncollectible amounts, when applicable. An allowance for uncollectible accounts represents the portion of receivables that is not expected to be collected.

L) Inventories and prepaid items:

Inventories of food in the school food service fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food donated by the United States Department of Agriculture, at the Federal Government’s assigned value, which approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount.

An amount for these non-liquid assets (inventories) has been recognized in the school food service fund as non-spendable fund balance under GASB Statement No. 54 to signify that a portion of fund balance is not available for other subsequent expenditures.

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. The District has no prepaid items as of June 30, 2024.

M) Capital assets:

Capital assets are reflected in the District-Wide Financial Statements. Capital assets are reported at actual cost, when the information is available, or estimated historical cost based on professional third-party information. Donated assets are reported at acquisition value at the time received.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

All capital assets, except land and construction in progress, are depreciated on a straight-line basis over their estimated useful lives. Capitalization thresholds (the individual 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:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Building and building improvements	\$ 5,000	Straight-line	20-50 years
Furniture and equipment	\$ 5,000	Straight-line	5-20 years

N) Collections in advance:

Collections in advance arise when the District receives resources before it has legal claim to them, as when grant monies are received prior to the incidence 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 collections in advance is removed and revenues are recorded. Collections in advance as of June 30, 2024 consisted of unearned grant monies in the special aid fund, and prepaid balances for meals and grant advances in the school lunch fund. See Note 9 for further detail.

O) Deferred outflows and inflows of resources:

The Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category. These amounts are related to pensions and the other post-employment benefits reported in the District-Wide Statement of Net Position, and are detailed further in Notes 13 and 15.

The Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are related to pensions and other post-employment benefits reported in the District-Wide Statement of Net Position, and are detailed further in Notes 13 and 15.

The deferred inflows of resources on the Governmental Funds Balance Sheet will sometimes report deferred inflow of resources when potential revenues do not meet the availability criterion for recognition in the current period. In subsequent periods, when the availability criterion is met, deferred revenues are reclassified as revenues. The District wide financial statements, however, report these deferred inflows as revenues in accordance with the accrual basis of accounting and economic resources measurement focus.

P) Vested employee benefits:

Compensated absences

Compensated absences consist of unpaid accumulated annual vacation time.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Vacation and sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave.

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

Consistent with GASB Statement No. 16, *Accounting for Compensated Absences*, the liability has been calculated using the vesting method and an accrual for that liability is included in the District-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

In the fund financial statements only, the amount of matured liabilities is accrued within the general fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you go basis. The liability is reported only for payments due for unused compensated absences for those employees that have obligated themselves to separate from service with the District by June 30th.

Q) Other benefits:

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

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

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

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the governmental funds as the liabilities for premiums mature (come due for payments). In the District-Wide Financials Statements, the cost of postemployment health insurance coverage is recognized on the accrual basis of accounting in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

R) Short-term debt:

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

The District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which there is an insufficient or no provision made

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

in the annual budget. The budget note must be repaid no later than the close of the second fiscal year succeeding the year in which the note was issued.

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

The District may issue deficiency notes up to an amount not to exceed 5% of the amount of that same year's annual budget in any fund or funds arising from revenues being less than the amount estimated in the budget for that fiscal year. The deficiency notes may mature no later than the close of the fiscal year following the fiscal year in which they were issued. However, they may mature no later than the close of the second fiscal year after the fiscal year in which they were issued, if the notes were authorized and issued after the adoption of the budget for the fiscal year following the year in which they were issued.

The District did not issue any short-term debt for the fiscal year ended June 30, 2024.

S) Accrued liabilities and long-term obligations:

Payables, accrued liabilities, and long-term obligations are reported in the District-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. claims and judgments, compensated absences, net pension liabilities-proportionate share, and other post-employment benefits that will be paid from governmental funds, are reported as a liability in the funds financial statements only to the extent they have matured. 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 within one year or due in more than one year in the Statement of Net Position.

T) Equity classifications:

i) District-Wide Financial Statements

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

Net investment in capital assets – Consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets (net of unspent proceeds).

Restricted net position – Reports net position when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

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

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

ii) Fund Financial Statements

There are five classifications of fund balance as detailed below; however, in the District's fund financial statements there are four classifications of fund balance presented:

- 1) **Nonspendable fund balance** - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes the inventory recorded in the school food service fund of \$44,293.
- 2) **Restricted fund balance** - includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

Currently, New York State laws still use the terminology "reserves" and districts are allowed to use reserves authorized by law. The District has classified the following as restricted:

Workers' Compensation Reserve

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

Retirement Contribution Reserve

Retirement contribution reserve (GML§6-r) must be used for the purpose of financing retirement contributions payable to the New York State and Local Employees' Retirement System. The Board, by resolution, may establish the reserve and authorize expenditures from the reserve. The reserve is funded by budgetary appropriations or taxes raised for the reserve, revenues that are not required by law to be paid into any other fund or account, transfers from reserves and other funds that may be legally appropriated. The Board has adopted a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r. These reserves are accounted for in the general fund under restricted fund balance.

Employee Benefit Accrued Liability Reserve

Employee Benefit Accrued Liability Reserve (GML §6-p) must be used to reserve funds for the payment of accrued employee benefit based on unused and unpaid sick leave, personal leave, holiday leave or vacation time due to an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the general fund under restricted fund balance.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Unemployment Insurance Reserve

Unemployment insurance reserve (GML§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 restricted fund balance. This reserve is accounted for in the general fund as restricted fund balance.

Insurance Reserve

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

Restricted for Debt Service

Unexpended balances of proceeds of borrowings for capital projects; interest and earning from investing proceeds of obligations, and premium and accrued interest are recorded in the debt service fund and held until appropriated for debt payments. These restricted amounts are accounted for in the debt service fund.

Unspent Debt Proceeds

Unspent long-term bond proceeds are recorded as restricted fund balance because they are subject to external constraints contained in the debt agreement. These restricted funds are accounted for in the capital projects fund.

Restricted for Scholarships

Amounts restricted for scholarships and donations are used to account for monies donated for scholarship purposes, net of earnings and awards. These restricted funds are accounted for in the special revenue fund.

Restricted for Extraclassroom and Other Student Activities

Amounts restricted for extraclassroom and other student activities are used to account for funds contributed and deposited by students. These restricted funds are accounted for in the special revenue fund under restricted fund balance.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

- 3) **Committed fund balance** - includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority (i.e., Board of Education). The District has no committed fund balances as of June 30, 2024.
- 4) **Assigned fund balance** - Includes amounts that are subject to a purpose constraint that represents an intended use established by the District's Board of Education. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance includes an amount appropriated to partially fund the subsequent year's budget. Assigned fund balance also includes encumbrances not classified as restricted or committed at the end of the fiscal year.
- 5) **Unassigned fund balance** - Includes the residual fund balance for the general fund and includes residual fund balance deficits of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts. Assignments of fund balance cannot cause a negative unassigned fund balance.

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the District's budget for the general fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the general fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances included in the assigned fund balance are also excluded from the 4% limitation.

The District's general unassigned fund balance exceeded the 4% limitation at June 30, 2024.

Order of Use of Fund Balance:

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the general fund are classified as restricted fund balance. In the general fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

U) Future changes in accounting standards:

GASB has issued the following pronouncements which will be implemented in the years required. The effects of the implementation of these pronouncements are not known at this time.

Statement No. 101, *Compensated Absences*. Effective for fiscal years beginning after December 15, 2023.

Statement No. 102, *Certain Risk Disclosures*. Effective for fiscal years beginning after June 15, 2024.

Statement No. 103, *Financial Reporting Model Improvement*. Effective for fiscal years beginning after June 15, 2025.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Statement No. 104, *Disclosure of Certain Capital Assets*. Effective for fiscal years beginning after June 15, 2025.

These are the statement that the District feels may have an impact on these financial statements and is not an all-inclusive list of GASB statements issued. The District will evaluate the impact other pronouncements may have on its financial statements and will implement them as applicable and when material.

NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENTS AND THE 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 resource measurement focus of the District-wide statements, compared with the current financial resource measurement focus of the governmental funds.

(A) Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities:

Total fund balances of the District’s governmental funds differ from “net position” of governmental activities reported in the Statement of Net Position. The 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 funds’ Balance Sheet.

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

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

i) 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, thereby affecting expenses such as compensated absences, pension costs and other post-employment benefits.

ii) Capital related differences:

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

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

iii) Long-term debt transaction differences:

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

iv) Pension differences:

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

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

A) Budgets:

The District administration prepares a proposed budget for approval by the Board of Education for the following governmental funds for which legal (appropriated) budgets are adopted. The voters of the District approved the proposed appropriation budget for the general fund. Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. Supplemental appropriations that occurred during the fiscal year are shown on Supplementary Information - Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Limit - General Fund.

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

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

B) Encumbrances:

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as assignments or restrictions of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

C) Expenditures in Excess of Budget

Certain individual budgetary expenditures exceeded their budgetary authorizations in the General Fund.

NOTE 4 – CASH (AND CASH EQUIVALENTS) - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE AND FOREIGN CURRENCY RISKS:

A) Cash and Cash Equivalents:

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

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

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. GASB directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are as follows:

- A) Uncollateralized;
- B) Collateralized with securities held by the pledging financial institution in the District's name; or
- C) Collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

None of the District's aggregate bank balances, not covered by FDIC insurance, were exposed to custodial credit risk as described above at year end.

Restricted cash:

Restricted cash represents cash and equivalents where use is limited by the legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash at June 30, 2024 included \$23,537,651 within the governmental funds for general reserve purposes in the general fund, scholarships, extraclassroom and other student activities in the special revenue fund, unspent debt proceeds in capital projects fund, and debt service reserve in the debt service fund.

B) Investments:

The District does not typically purchase investments for long enough duration to cause it to believe that it is exposed to any material interest rate risk. The District also does not typically purchase investments denominated in a foreign currency, and is not exposed to foreign currency risk.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

C) Investment pool:

The District participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents. At June 30, 2024, the District held \$55,263,936 in the governmental funds, in investments consisting of various investment in securities issued by the United States and its agencies.

	<u>Bank Balance</u>	<u>Carrying Amount</u>
General fund	\$ 54,996,878	54,996,878
Miscellaneous special revenue fund	266,202	266,202
Debt service fund	856	5,856
Total	<u>\$55,263,936</u>	<u>55,268,936</u>

Total investments of the cooperative at June 30, 2024 are \$9,956,707,614, which consisted of \$1,924,275,851 in repurchase agreements and \$8,032,431,763 in U.S. Treasury Securities at various interest rates with various due dates. Total collateralized bank deposits of the cooperative at June 30, 2024 are \$1,777,141,575.

The above chart represent the cost of the investment pool shares, and are considered to approximate market value. The investment pool is categorially exempt from the New York State collateral requirements. NYCLASS is rate AAAM by S&P Global ratings. Additional Cooperative Liquid Assets Securities System (NYCLASS), which may be obtained from their website, www.newyorkclass.org, or by contacting their registered investment advisor, Public Trust Advisors, LLC at 717 17th Street, Suite 1850, Denver CO, 80202.

NOTE 5 – PARTICIPATION IN BOCES:

During the year ended June 30, 2024, the District was billed \$20,671,984 for BOCES administrative and program costs. The District’s share of BOCES aid amounted to \$3,419,723. Financial statements for the Rockland BOCES are available from the Rockland BOCES administrative office at 65 Parrott Road, West Nyack, New York 10994.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 6 – STATE AND FEDERAL AID RECEIVABLE:

State and federal aid receivable at June 30, 2024 consisted of the following:

General fund

New York State Aid

General aid	\$ 133,567
Excess cost aid	1,915,299
BOCES aid	1,680,312
Medicaid	219,250
Other state aid	<u>1,463,540</u>

Total general fund	<u>5,411,968</u>
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Special aid fund

Federal aid	54,090,977
State aid	7,721,403
Local government grant	<u>5,800</u>

Total special aid fund	<u>61,818,180</u>
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School food service fund

State food service program reimbursement	53,515
Federal food service program reimbursement	<u>689,547</u>

Total school food service fund	<u>743,062</u>
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Capital projects fund

State aid - SmartBonds	2,388,056
State aid - DASNY grants	<u>140,855</u>

Total capital projects fund	<u>2,528,911</u>
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Total	<u>\$ 70,502,121</u>
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District management has deemed these amounts to be fully collectible, however the amounts reported in the capital projects fund are also recorded as a deferred inflows of resources for unavailable revenue. See Note 1 for more information.

NOTE 7 – DUE FROM OTHER GOVERNMENTS:

Due from other governments at June 30, 2024 consisted of the following:

General fund

Other districts - tuition	\$ 836,292
Other districts - health services	<u>1,125,118</u>

Total	<u>\$ 1,961,410</u>
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District management has deemed these amounts to be fully collectible, however \$1,961,410 of the due from other governments are also recorded as a deferred inflows of resources for unavailable revenue. See Note 1 for more information.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 8 – DUE TO OTHER GOVERNMENTS:

Due to other governments at June 30, 2024 consisted of the following:

General fund	
Due to Rockland BOCES	\$ 5,537,500
State aid overpayment	154,348
Other Districts - Tuition and health services	237,689
NYS - Workers' compensation insurance assessment	<u>32,898</u>
Total general fund	<u>5,962,435</u>
School food service	
Sales tax payable	<u>15</u>
Total	<u>\$ 5,962,450</u>

NOTE 9 – COLLECTIONS IN ADVANCE:

Collections in advance at June 30, 2024 consisted of the following:

Special aid fund	
Grant funds received in advance	<u>\$ 22,348</u>
School food service	
Student prepaid meals	4,523
Grant funds received in advance	<u>187,542</u>
Total school food service	<u>192,065</u>
Total	<u>\$ 214,413</u>

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 10 - CAPITAL ASSETS:

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 7,764,601	-	-	7,764,601
Construction in progress	<u>36,288,367</u>	<u>28,656,698</u>	<u>-</u>	<u>64,945,065</u>
Total capital assets not depreciated	<u>44,052,968</u>	<u>28,656,698</u>	<u>-</u>	<u>72,709,666</u>
Capital assets that are depreciated:				
Building and building improvements	127,630,909	899,909	-	128,530,818
Furniture and equipment	<u>10,216,904</u>	<u>1,310,580</u>	<u>(99,122)</u>	<u>11,428,362</u>
Total depreciable historical cost	<u>137,847,813</u>	<u>2,210,489</u>	<u>(99,122)</u>	<u>139,959,180</u>
Less accumulated depreciation:				
Building and building improvements	85,225,757	3,837,490	(71,434)	88,991,813
Furniture and equipment	<u>5,605,014</u>	<u>828,309</u>	<u>-</u>	<u>6,433,323</u>
Total accumulated depreciation	<u>90,830,771</u>	<u>4,665,799</u>	<u>(71,434)</u>	<u>95,425,136</u>
Total capital assets, net	<u>\$ 91,070,010</u>	<u>26,201,388</u>	<u>(27,688)</u>	<u>117,243,710</u>

Depreciation expense was charged to governmental functions as follows:

General support	\$ 94,038
Instruction	4,455,149
Pupil transportation	27,655
Food service program	<u>88,957</u>
	<u>\$ 4,665,799</u>

The loss on disposals of \$27,688 was charged to instruction on the governmental functions.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Interfund		Interfund	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenues</u>	<u>Expenditures</u>
General fund	\$ 57,577,816	26,784,504	53,055	7,603,400
Special aid fund	-	57,577,316	999,195	28,552,649
School food service fund	2,484,975	-	-	-
Special revenue fund	-	500	-	-
Capital projects fund	23,768,228	-	35,156,854	-
Debt service fund	443,391	-	-	53,055
Total government activities	84,274,410	84,362,320	36,209,104	36,209,104
Fiduciary fund	87,910	-	-	-
Total	\$ 84,362,320	84,362,320	36,209,104	36,209,104

NOTE 11 – INTERFUND TRANSACTIONS:

The District typically transfers from the general fund to the special aid fund to fund the District’s 20% share of the summer school program for students with disabilities and the basic contribution required for Section 4201 state-supported school expenditures required by State Law.

The general fund transferred \$6,604,205 to the capital projects fund to provide financing for various capital projects. The transfer consisted of \$6,357,597 as authorized by the District’s voters in the 2023-2024 budget and \$246,608 from unassigned fund balance for emergency repairs as authorized by the Board.

The transfer from the special aid fund to capital projects fund represents grant money received from the American Rescue Plan Act that was used to reimburse the capital projects fund for pandemic related capital expenditures.

The District made a \$53,055 transfer from the debt service fund to the general fund in accordance with the voter approved 2023-2024 school budget to return accumulated funds in the debt service fund to offset debt service expenditures.

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

All interfund payables are expected to be repaid within one year.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 12 – LONG-TERM DEBT OBLIGATIONS:

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

	Beginning Balance	Issued	Redeemed	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
Construction bonds	\$ 47,930,000	\$ -	\$ 2,630,000	\$ 45,300,000	\$ 2,485,000
Unamortized premium on bonds	1,185,103		113,316	1,071,787	113,316
Total bonds payable, net	49,115,103	-	2,743,316	46,371,787	2,598,316
Other long-term liabilities:					
Claims payable	21,209	-	21,209	-	-
NYSERS stabilization program liability	1,270,081	-	293,094	976,987	303,284
Compensated absences payable	499,146	359,930	304,662	554,414	-
Workers' compensation claims payable	3,939,480	1,145,273	1,025,293	4,059,460	-
Net pension liability- proportionate share-NYSERS	8,980,343	-	3,611,334	5,369,009	-
Net pension liability- proportionate share-NYSTRS	11,283,277	14,095,590	18,706,878	6,671,989	-
Total other post-employment benefits obligation	424,042,975	52,416,730	32,932,374	443,527,331	15,014,367
Total long-term liabilities	<u>\$499,151,614</u>	<u>\$ 68,017,523</u>	<u>\$ 59,638,160</u>	<u>\$507,530,977</u>	<u>\$ 17,915,967</u>

The general fund has typically been used to liquidate long-term liabilities such as bonds payable, judgements, claims and settlements payable, NYSERS stabilization program liability, compensated absences payable, workers' compensation claims payable, other post-employment benefits liability and net pension liabilities.

A) Bonds payable

Existing serial and statutory bond obligations are comprised of the following:

<u>Description</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding at Year End</u>
Various Capital Improvements	2012	June 2025	2.75-3.00%	\$ 100,000
Various Capital Improvements	2019	December 2033	2.50-5.00%	16,810,000
Various Capital Improvements	2020	March 2047	5.00%	28,390,000
				<u>\$ 45,300,000</u>

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The following is a summary of debt service requirements for bonds payable:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 2,485,000	2,008,237	4,493,237
2026	2,475,000	1,884,113	4,359,113
2027	2,560,000	1,758,612	4,318,612
2028	2,655,000	1,636,763	4,291,763
2029	2,735,000	1,518,762	4,253,762
2030-3034	14,785,000	5,960,843	20,745,843
2035-2039	6,200,000	3,793,750	9,993,750
2040-2044	6,885,000	2,177,750	9,062,750
2045-2047	4,520,000	455,250	4,975,250
	<u>\$ 45,300,000</u>	<u>21,194,080</u>	<u>66,494,080</u>

B) Unamortized Premiums on Bonds

The District received \$1,661,975 of bond premium from the issuance of the April 17, 2019 bonds. The premium will be amortized as a reduction of bond interest expense over the life of the bonds in the District-Wide financial statements as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amortization of Premium</u>
2025	\$ 113,316
2026	113,316
2027	113,316
2028	113,316
2029	113,316
2030-3034	<u>505,207</u>
	<u>\$ 1,071,787</u>

C) Long-Term Interest

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

	<u>Total</u>
Interest paid	\$ 2,134,963
Less interest accrued in the prior year	(457,581)
Less amortization of bond premium	(113,316)
Plus interest accrued in the current year	<u>439,994</u>
Total expense	<u>\$ 2,004,060</u>

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 13 – PENSION PLANS:

General information

The District participates in the New York State and Local Employees' Retirement System (NYSERS) and the New York State Teachers' Retirement System (NYSTRS) (collectively referred to as the Systems).

Plan descriptions and benefits provided

Employees' Retirement System

The New York State and Local Employees' Retirement System is a cost-sharing, multiple-employer retirement system. NYSERS provides retirement benefits, as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of NYSERS. NYSERS benefits are established under the provisions of the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in NYSERS, 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 ("NYSGLIP"), which provides death benefits in the form of life insurance. NYSERS is included within New York State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Teachers' Retirement System

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

The Systems are noncontributory for the employee who joined prior to July 27, 1976 (tiers I and II). For employees who joined the Systems after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary (tiers III and IV). For NYSERS, employees who joined the system between January 1, 2010 and April 1, 2012, are required to contribute 3% of their salary (tier V). For NYSTRS, employees who joined the system between January 1, 2010 and April 1, 2012, are required to contribute 3.5% of their salary (tier V). In addition, employee contribution rates (3% to 6%) under NYSERS and NYSTRS tier VI (those who joined after April 1, 2012) vary based on a sliding salary scale. With the exception of NYSERS and

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NYSTRS tier V and VI employees, employees in the system more than ten years are no longer required to contribute. For NYSERS, the Comptroller certifies the rates expressed as proportions of members' payroll annually, which are used in computing the contributions required to be made by employers to the pension accumulation fund. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for NYSTRS.

Contributions for the current year and two preceding years were equal to 100% of the contributions required, and were as follows:

Year	NYSERS	NYSTRS
2024	\$ 2,065,953	\$ 10,797,165
2023	\$ 2,245,499	\$ 11,083,859
2022	\$ 3,237,779	\$ 10,209,479

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

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

	NYSERS	NSTRS
Measurement date	March 31, 2024	June 30, 2023
District's proportionate share of the net pension liability	\$ 5,369,009	6,671,989
District portion of the Plan's total net pension liability	0.0364624	0.583427
Change in proportion since the prior measurement date	(0.00545156%)	(0.004583%)

For the year ended June 30, 2024, the District recognized pension expense of \$2,752,401 and \$18,706,878 for NYSERS and NYSTRS, respectively. At June 30, 2024 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>NYSERS</u>	<u>NYSTRS</u>	<u>NYSERS</u>	<u>NYSTRS</u>
Differences between expected and actual experience	\$ 1,729,354	16,177,799	146,399	39,982
Changes of assumptions	2,029,902	-	-	3,130,684
Net difference between projected and actual investment earnings on pension plan investments	-	14,364,595	2,622,733	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	1,314,020	1,081,042	601,545	773,619
District's contributions subsequent to the measurement date	<u>740,841</u>	<u>10,797,165</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 5,814,117</u>	<u>45,831,189</u>	<u>3,370,677</u>	<u>3,944,285</u>

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. 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>Fiscal Year Ending June 30,</u>	<u>NYSERS</u>	<u>NYSTRS</u>
2025	\$ (655,704)	2,587,132
2026	1,242,982	(3,350,201)
2027	1,670,110	26,898,658
2028	(554,789)	2,201,265
2029	-	1,729,473
Thereafter	<u>-</u>	<u>1,023,412</u>
Total	<u>\$ 1,702,599</u>	<u>31,089,739</u>

Actuarial Assumptions

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

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>NYSERS</u>	<u>NYSTRS</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%	1.95% - 5.18%
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%
Cost of living adjustments	1.50%	1.30%

For NYSERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2022 system experience with adjustments for mortality improvements based on the Society of Actuaries’ Scale MP-2021. For NYSTRS, annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on the Society of Actuaries’ Scale MP-2021, applied on a generational basis. Active member mortality rates are based on plan member experience.

For NYSERS, 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, 2022. For NYSTRS, the actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 - June 30, 2020.

For NYSERS, the long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment 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.

For NYSTRS, 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 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.

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation, as of the actuarial valuation date, are summarized in the following table:

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Measurement date	NYSTRS		NYSERS	
	March 31, 2021		June 30, 2020	
	Target <u>allocation</u>	Long-term expected real rate of <u>of return*</u>	Target <u>allocation</u>	Long-term expected real rate of <u>of return*</u>
Asset class:				
Domestic equity	32.0%	4.00%	33.0%	6.80%
International equity	15.0%	6.65%	15.0%	7.60%
Private equity	10.0%	7.25%	9.0%	10.10%
Real estate equity	9.0%	4.60%	11.0%	6.30%
Opportunistic/ARS portfolio	3.0%	5.25%	-	-
Real assets	3.0%	5.79%	-	-
Fixed income	23.0%	1.50%	-	-
Cash	1.0%	0.25%	1.0%	0.30%
Credit	4.0%	5.40%	-	-
Domestic fixed income	-	-	16.0%	2.20%
Global bonds	-	-	2.0%	1.60%
High-yield bonds	-	-	1.0%	4.40%
Real estate debt	-	-	6.0%	3.20%
Global equity	-	-	4.0%	7.20%
Private debt	-	-	2.0%	6.00%
	<u>100.0%</u>		<u>100.0%</u>	

* Real rates of return are net of a long-term inflation assumption of 2.90% for NYSERS and 2.50% for NYSTRS.

Discount Rate

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

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

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

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
NYSERS			
Employer's proportionate share of the net pension asset/(liability)	\$ (16,880,714)	\$ (5,369,009)	\$ 4,245,652
	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
NYSTRS			
Employer's proportionate share of the net pension asset/(liability)	\$ (101,617,779)	\$ (6,671,989)	\$ 73,181,526

Pension Plan Fiduciary Net Position

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

	NYSERS	NYSTRS
	(Dollars in Thousands)	
Measurement date	March 31, 2024	June 30, 2023
Employers' total pension liability	\$(240,696,851)	(138,365,122)
Plan net position	225,972,801	137,221,537
Employers' net pension liability	\$ (14,724,050)	(1,143,585)
Ratio of plan net position to the Employers' total pension liability	93.88%	99.17%

Payables to the Pension Plan

For NYSERS, 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 NYSERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2024 amounted to \$740,841.

For NYSTRS, 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 deduction and remittance to NYSTRS. Accrued retirement contributions as of June 30, 2024 represent employee and employer contributions for the fiscal year ended June 30, 2024 based on paid NYSTRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the NYSTRS System. Accrued employee retirement and employer contributions amounted to \$1,800,165 and \$10,797,165, respectively, as of June 30, 2024. Total accrued NYSTRS contributions as of June 30, 2024 amount to \$12,597,330.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Pension Plans – Other

Tax Sheltered Annuities

The District has adopted a 403(b) plan covering all eligible employees. Employees may defer up to 100% of their compensation subject to Internal Revenue Code elective deferral limitations. Contributions made by employees for the year ended June 30, 2024, totaled \$4,200,061.

Deferred Compensation Plan

The District has established a deferred compensation plan in accordance with Internal Revenue Code §457 for all employees. The District makes no contributions into this Plan. The amount deferred by eligible employees for the year ended June 30, 2024 totaled \$55,543.

NOTE 14 – OTHER PENSION OBLIGATIONS – NYSERS STABILIZATION PROGRAM:

Legislation enacted as part of the 2013-14 New York State adopted budget as Chapter 57 of the Laws of 2013 established an alternative to the original Contribution Stabilization Program enacted in 2010. This Alternate Contribution Stabilization Program (“ACSP”) authorized local governments and school districts, at their option, to defer payment on a portion of their annual NYSERS contribution beginning in the 2013-14 fiscal year. The maximum amortization amount in each year going forward under this alternate plan will be determined by the difference between each employer’s normal effective contribution rate as compared to the System’s ACSP graded rate. The graded rate will always move from the previous graded rate towards the new actuarial rate by no more than 0.5% per year. Any amounts amortized under this program are to be paid in equal annual installments over a twelve-year period, although amounts may be prepaid at any time. The interest rate on an amount amortized in a given year will be the interest rate for that year and will be fixed for the duration of that payment period. The interest rate will be comparable to a twelve-year U.S. Treasury bond plus 1%. If the System’s average actuarial rates are lower than the employer’s graded rate, the employer would still be required to pay the graded rate. Any additional contributions made as a result will first be used to pay off existing amortizations with any excess being deposited into a reserve account to be used to offset future increases in contribution rates. The District elected to amortize the maximum allowable ERS contributions for the years noted in the table below. The following table summarizes transactions during the year related to amounts amortized under this program and included as a long-term liability in the District-Wide Statement of Net Position, as NYSERS stabilization program liability:

<u>Fiscal Year</u>	<u>Original Amount Amortized</u>	<u>Beginning of Year Balance</u>	<u>Current Year Additions/ (Payments)</u>	<u>End of Year Balance</u>	<u>Principal Due Within One Year</u>
2014	\$ 1,193,538	349,614	(112,264)	237,350	116,485
2015	759,759	288,787	(68,515)	220,272	70,913
2016	956,005	444,779	(83,174)	361,605	85,970
2017	346,546	186,901	(29,141)	157,760	29,916
	<u>\$ 3,255,848</u>	<u>1,270,081</u>	<u>(293,094)</u>	<u>976,987</u>	<u>303,284</u>

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 15 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) OTHER THAN PENSIONS:

Plan Description:

The District’s other post-employment benefits (OPEB) plan (the Plan), defined as a single employer defined benefit plan, primarily provides post-employment health insurance coverage to retired employees and their eligible dependents in accordance with the provisions of various employment contracts. Benefits are provided through the New York State Health Insurance Program (NYSHIP), and are administered by Empire BlueCross BlueShield, United Healthcare, GHI/Value Options, and Caremark. Article 37 of the Statutes of the State assigns the authority to establish and amend benefit provisions to the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided:

The OPEB Plan provides medical and Medicare Part B benefits for retired employees and their eligible dependents. Benefit terms provide for the District to contribute 50% for individual or family coverage, 74% of individual, and 59% of family coverage for other bargaining units, and 0% of the premiums for surviving spouses. The District recognizes the cost of the OPEB Plan annually as expenditures in the fund financial statements as payments are accrued. For measurement period ended June 30, 2024, the District contributed an estimated \$15,014,367 to the Plan, including \$15,014,367 for current premiums and \$0 to prefund benefits. Currently, there is no provision in the law to permit the District to fund the OPEB Plan by any other means than the “pay as you go” method.

Employees Covered by Benefit Terms:

At July 1, 2023, the following employees were covered by the benefit terms:

Actives	1,311
Retirees	1,143
Beneficiaries	54
Spouses of Retirees	471
Total Members	<u>2,979</u>

Total OPEB Liability:

The District’s total OPEB liability of \$443,527,331 was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023.

Actuarial Assumptions and Other Inputs:

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

Inflation	2.40%
Salary increases	2.40%, including inflation
Discount rate	3.93%
Healthcare cost trend rates	6.40% decreasing to 3.80% over 50 years
Retirees' share of benefit-related costs	15.00% of projected health insurance premiums for retirees and family, 100% for surviving spouse

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index. Trend rates are based on industry surveys.

Mortality rates were based on the PubT-2010 Headcount-Weighted Mortality Table for Teaching Positions and PubG-2010 Headcount-Weighted Mortality for Non-Teaching positions, both generationally projected using the MP-2021 Ultimate Scale, with employee rates before commencement and healthy annuitant rates after benefit commencement. This assumption includes a margin for future improvements in longevity.

The actuarial assumptions used in the July 1, 2023 valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable. The Plan does not have credible data on which to perform an experience study. As a result, a full actuarial experience study is not applicable.

Changes in total OPEB liability:

Changes in assumptions or other inputs include the following:

- The discount rate was changed from 3.65% to 3.93%.

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

Total OPEB liability as of July 1, 2023	<u>\$ 424,042,975</u>
Service cost	17,010,591
Interest	15,826,900
Differences between expected and actual experience	19,579,239
Changes of assumption or other inputs	(17,918,007)
Benefit payments	<u>(15,014,367)</u>
Total net changes	<u>19,484,356</u>
Total OPEB liability as of June 30, 2024	<u><u>\$ 443,527,331</u></u>

Changes in assumptions or other inputs are due to the discount rate changing from 3.65% to 3.93%.

The following presents the total OPEB liability of the District, calculated using the discount rate of 3.93%, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current discount rate:

	1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB liability	<u>\$ 512,782,249</u>	<u>\$ 443,527,331</u>	<u>\$ 387,414,001</u>

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

The following presents the total OPEB liability of the District, calculated using current healthcare cost trend rates as well as what the District's total OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower (5.40%) or 1 percentage point higher (7.40%) than the current healthcare cost trend rate:

	1% Decrease (5.40% Decreasing to 2.80%)	Healthcare Cost Trend Rates (6.40% Decreasing to 3.80%)		1% Increase (7.40% Decreasing to 4.80%)
Total OPEB liability	\$ 377,640,654	\$ 443,527,331		\$ 527,652,190

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 \$29,757,872. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 16,369,528	\$ (11,306,718)
Changes of assumptions or other inputs	18,603,773	(31,318,586)
Total	\$ 34,973,301	\$ (42,625,304)

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

Fiscal Year Ending June 30,

2025	\$ (2,279,747)
2026	(3,973,655)
2027	(4,154,584)
2028	2,456,416
2029	272,333
Thereafter	27,234
	\$ (7,652,003)

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 16 – RISK MANAGEMENT:

A) General:

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

B) Pool, Risk Sharing:

The District participates in a risk-sharing pool, the Rockland County Schools Cooperative Workers' Compensation Self-Insurance Plan (the Plan), to insure workers' compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law, to finance liability and risks related to Workers' Compensation Claims.

The District pays an annual premium to the pool for its workers' compensation claims coverage. The Plan has obtained an excess compensation insurance policy to buffer the effect that a single large claim may have on the Plan. Although excess compensation insurance permits recovery of a portion of such losses from the insurance carrier, it does not discharge the Plan's responsibility for payment of the claim.

The Plan established a liability for both reported and unreported insured events, which includes estimates of both future payments or losses and related claim adjustment expenses. However, because actual claim costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the period in which they are made.

The Plan's total liability for unbilled and opened claims at June 30, 2024 is \$17,489,234. Of this total undiscounted liability, \$4,059,460 is associated with the District. During the year ended June 30, 2024, the District's contribution to the Plan was \$1,025,293. As of June 30, 2024, the District has workers' compensation reserve balance of \$3,194,354.

The Plan has issued financial statements for the year ended June 30, 2024. Copies of these statements can be obtained from the District's administrative office. For its health insurance coverage, the District is a participant in the New York State Employees Health Insurance Plan, a public entity risk pool operated for New York State, local government and school district employers and employees. The Plan is considered a self-sustaining risk pool and the District has essentially transferred all risk to the pool.

NOTE 17 - TAX ABATEMENTS:

The Towns of Ramapo and Clarkstown, under the authority of Section 577 of Private Housing Finance Law, entered into property tax abatement programs with various housing developmental companies for the purpose of economic development, and general prosperity and economic welfare of the Towns. The amount of property tax revenue that was reduced as a result of these programs is not material. The District received payment in lieu of taxes (PILOT) payments totaling \$281,962.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 18 – COMMITMENTS AND CONTINGENCIES:

A. Encumbrances

All encumbrances are classified as assigned fund balance. At June 30, 2024 the District had \$164,362 in encumbrances.

B. Grants

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

C. Litigation

The District is involved in lawsuits arising from the normal conduct of its affairs. Some of these lawsuits seek damages which may be in excess of the District's insurance coverage. However, it is not possible to determine the District's potential exposure, if any, at this time.

D. Debt Default

Upon default of the payment of principal or interest on the bonds and/or bond anticipation notes of the District, the bond holders have the right to litigate and the New York State Comptroller is required, under the conditions and to the extent prescribed by Section 99-b of the New York State Finance Law, to withhold state aid and assistance of the District and apply the amount so withheld to the payment of the defaulted principal or interest with respect to the bonds and/or bond anticipation notes.

NOTE 19 – SUBSEQUENT EVENTS:

Events that occur after the Statement of Net Position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management evaluated the activity of the District through the date of this report and concluded that there no subsequent events which require disclosure in the notes to financial statements.

NOTE 20 – ECONOMIC CONDITION:

The ability of the District to maintain sufficient fund balance is highly dependent upon a few revenue sources and feasible budgetary estimates. Additionally, in recent years, the District received COVID-19 related Federal funding. As of June 30, 2024, there is approximately \$48.5 million available revenue from COVID-19 grants. For the year ended June 30, 2024, the District expended approximately \$62.7 million from COVID-19 grants. The COVID-19 grants are set to expire in the year ending June 30, 2025, with no new sources available to replace them. The District will evaluate how to manage these existing expenditures that have no funding sources.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Final Budget Variance with Actual</u>
REVENUES				
Local Sources				
Real property taxes	\$ 154,490,227	147,784,742	147,951,673	166,931
Other tax items - including STAR reimbursement	252,602	6,958,086	6,594,955	(363,131)
Charges for services	1,753,000	1,753,000	42,180	(1,710,820)
Use of money and property	1,307,631	1,307,631	4,692,415	3,384,784
Sale of property and compensation for loss	93,318	93,318	99,002	5,684
Miscellaneous	1,700,000	1,721,710	1,622,052	(99,658)
Interfund revenues	-	-	160,979	160,979
Total Local Sources	<u>159,596,778</u>	<u>159,618,487</u>	<u>161,163,256</u>	<u>1,544,769</u>
State Sources				
Basic formula	134,335,929	134,335,929	101,481,807	(32,854,122)
Excess cost aid	-	-	11,522,276	11,522,276
Lottery aid	-	-	14,581,866	14,581,866
BOCES aid	-	-	3,419,723	3,419,723
Tuition Aid	500,000	500,000	755,207	255,207
Textbook aid	-	-	2,390,580	2,390,580
Computer hardware/software aid	-	-	1,045,791	1,045,791
Library material aid	-	-	119,415	119,415
Other state aid	-	-	1,961,682	1,961,682
Total State Sources	<u>134,835,929</u>	<u>134,835,929</u>	<u>137,278,347</u>	<u>2,442,418</u>
Medicaid reimbursement	1,120,000	1,120,000	511,974	(608,026)
Federal Sources	-	-	68,144	68,144
Total Medicaid reimbursement and federal sources	<u>1,120,000</u>	<u>1,120,000</u>	<u>580,118</u>	<u>(539,882)</u>
OTHER FINANCING SOURCES				
Operating transfers in	<u>53,055</u>	<u>53,055</u>	<u>53,055</u>	<u>-</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>295,605,762</u>	<u>295,627,471</u>	<u>299,074,776</u>	<u>3,447,305</u>
APPROPRIATED FUND BALANCE				
Prior Year's Encumbrances	73,886	73,886		
Appropriated Reserves	<u>-</u>	<u>246,608</u>		
TOTAL REVENUES, OTHER FINANCING SOURCES AND APPROPRIATED FUND BALANCE	<u>\$ 295,679,648</u>	<u>295,947,965</u>		

Budget Basis of Accounting

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

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Year-End Encumbrances</u>	<u>Final Budget Variance with Actual and Encumbrances</u>
EXPENDITURES					
General support					
Board of education	\$ 354,452	534,452	545,709	2,069	(13,326)
Central administration	461,170	487,247	450,794	807	35,646
Finance	2,583,447	2,530,638	1,636,709	4,337	889,592
Staff	3,230,031	2,773,173	1,946,029	4,355	822,789
Central services	15,033,934	15,971,966	13,400,966	50,104	2,520,896
Special items	3,006,340	3,876,572	3,385,785	-	490,787
Total general support	<u>24,669,374</u>	<u>26,174,048</u>	<u>21,365,992</u>	<u>61,672</u>	<u>4,746,384</u>
Instruction					
Instruction, administration & improvement	7,319,068	7,597,801	7,561,378	-	36,423
Teaching - regular school	61,736,760	62,688,928	60,821,244	32,898	1,834,786
Programs for children with disabilities	41,009,526	39,255,790	35,745,531	23,271	3,486,988
Occupational education	848,873	1,578,000	1,538,634	-	39,366
Teaching - special schools	5,661,017	5,611,665	189,498	-	5,422,167
Instructional media	5,264,911	3,978,645	3,577,888	35,620	365,137
Pupil services	14,353,389	14,348,674	9,757,447	10,901	4,580,326
Total instruction	<u>136,193,544</u>	<u>135,059,503</u>	<u>119,191,620</u>	<u>102,690</u>	<u>15,765,193</u>
Pupil transportation	<u>63,980,637</u>	<u>63,979,205</u>	<u>60,297,380</u>	<u>-</u>	<u>3,681,825</u>
Community services	<u>119,700</u>	<u>119,800</u>	<u>216,497</u>	<u>-</u>	<u>(96,697)</u>
Employee benefits	<u>57,575,833</u>	<u>57,746,241</u>	<u>52,882,406</u>	<u>-</u>	<u>4,863,835</u>
Debt service					
Principal	2,630,000	2,630,000	2,630,000	-	-
Interest	3,152,963	2,634,963	2,134,963	-	500,000
Total debt service	<u>5,782,963</u>	<u>5,264,963</u>	<u>4,764,963</u>	<u>-</u>	<u>500,000</u>
OTHER FINANCING USES					
Operating transfers out	<u>7,357,597</u>	<u>7,604,205</u>	<u>7,603,400</u>	<u>-</u>	<u>805</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 295,679,648</u>	<u>295,947,965</u>	<u>266,322,258</u>	<u>164,362</u>	<u>29,461,345</u>
Net change in fund balance			32,752,518		
Fund balance - beginning			<u>39,378,670</u>		
Fund balance - ending			<u>\$ 72,131,188</u>		

Budget Basis of Accounting

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

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEARS ENDED JUNE 30,***

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability							
Service cost	\$ 17,010,591	15,381,339	17,409,877	17,996,653	14,410,134	14,324,306	13,907,093
Interest	15,826,900	13,938,361	9,431,705	9,309,827	13,798,640	12,308,197	11,919,040
Differences between expected and actual experience	19,579,239	-	(20,094,604)	-	(9,130,787)	-	28,241
Changes of assumptions or other inputs	(17,918,007)	24,024,928	(32,675,912)	3,196,404	18,350,899	(29,119,405)	-
Benefit payments	<u>(15,014,367)</u>	<u>(15,186,594)</u>	<u>(14,779,560)</u>	<u>(14,265,855)</u>	<u>(13,700,566)</u>	<u>(13,567,606)</u>	<u>(13,035,691)</u>
Net change in total OPEB liability	19,484,356	38,158,034	(40,708,494)	16,237,029	23,728,320	(16,054,508)	12,818,683
Total OPEB liability - beginning	<u>424,042,975</u>	<u>385,884,941</u>	<u>426,593,435</u>	<u>410,356,406</u>	<u>386,628,086</u>	<u>402,682,594</u>	<u>389,863,911</u>
Total OPEB liability - ending	<u>\$443,527,331</u>	<u>424,042,975</u>	<u>385,884,941</u>	<u>426,593,435</u>	<u>410,356,406</u>	<u>386,628,086</u>	<u>402,682,594</u>
District's covered payroll	\$113,747,005	110,549,306	110,549,306	108,770,475	108,770,475	105,464,656	105,464,656
Contributions as a percentage of covered payroll	389.92%	383.58%	349.06%	392.20%	377.27%	366.59%	381.82%
Discount Rate	3.93%	3.65%	3.54%	2.16%	2.21%	3.50%	3.00%

Notes to Schedule:

Trust Assets :

There are no assets accumulated that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits

Changes of Assumptions:

Changes of assumptions or other inputs reflect the effects of changes in the discount rate each period.

The amounts presented for each fiscal year were determined as of the measurement date of the plan.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/(LIABILITY)
FOR THE FISCAL YEARS ENDED JUNE 30,*
(Dollar amounts in thousands)**

NYSERS Pension Plan

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportionate share of the net pension asset/(liability)	0.03646%	0.04188%	0.04293%	0.04599%	0.04758%	0.05195%	0.05471%	0.05316%	0.05524%	0.05354%
District's proportionate share of the net pension asset/(liability)	\$ (5,369)	(8,980)	3,509	(46)	(12,598)	(3,681)	(1,766)	(4,995)	(8,867)	(1,809)
District's covered payroll	\$ 17,580	15,868	16,739	17,206	18,297	18,252	18,675	18,293	17,602	17,353
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	30.54%	56.59%	20.96%	0.27%	68.85%	20.17%	9.46%	27.31%	50.37%	10.42%
Plan fiduciary net position as a percentage of the total pension asset/(liability)	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

NYSTRS Pension Plan

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportionate share of the net pension asset/(liability)	0.58343%	0.58801%	0.60525%	0.60116%	0.58429%	0.59013%	0.56964%	0.56611%	0.55004%	0.52398%
District's proportionate share of the net pension asset/(liability)	\$ (6,672)	(11,283)	104,883	(16,612)	15,180	10,671	4,330	(6,063)	57,131	58,368
District's covered payroll	\$ 111,926	108,707	103,679	102,060	97,537	96,125	90,340	87,640	83,140	77,825
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	5.96%	10.38%	101.16%	16.28%	15.56%	11.10%	4.79%	6.92%	68.72%	75.00%
Plan fiduciary net position as a percentage of the total pension asset/(liability)	99.17%	98.60%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%

* The amounts presented for each fiscal year were determined as of the measurement date of the plans.

** Notes to Required Supplementary Information

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS
(Dollar amounts in thousands)**

NYSERS Pension Plan

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 2,066	2,246	3,238	2,994	2,914	3,037	3,148	2,529	2,375	2,140
Contributions in relation to the contractually required contribution	2,066	2,246	3,238	2,994	2,914	3,037	3,148	2,529	2,375	2,140
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
District's covered payroll	\$ 17,580	15,868	16,683	17,458	17,938	18,126	18,782	17,755	18,050	17,578
Contributions as a percentage of covered payroll	11.75%	14.15%	19.41%	17.15%	16.24%	16.76%	16.76%	14.25%	13.16%	12.17%

NYTRS Pension Plan

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 10,797	11,084	10,209	9,765	9,029	10,358	9,420	10,588	11,621	14,574
Contributions in relation to the contractually required contribution	10,797	11,084	10,209	9,765	9,029	10,358	9,420	10,588	11,621	14,574
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
District's covered payroll	\$ 111,926	108,707	105,529	103,680	102,060	97,537	96,126	90,340	87,640	83,140
Contributions as a percentage of covered payroll	9.65%	10.20%	9.67%	9.42%	8.85%	10.62%	9.80%	11.72%	13.26%	17.53%

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND THE REAL PROPERTY TAX LIMIT - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget		\$295,605,762
Add: Prior year's encumbrances		73,886
Original Budget		295,679,648
Budget Revision:		
Emergency Repair I-Beam and Achieve Room	\$ 246,608	
Donations	21,709	268,317
Final Budget		\$295,947,965

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2024-25 voter-approved expenditure budget		\$331,881,985
Maximum allowed (4% of 2024-25 budget)		\$ 13,275,279
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law*:		
Unrestricted fund balance:		
Assigned fund balance		\$ 18,185,208
Unassigned fund balance		31,283,167
Total unrestricted fund balance		49,468,375
Less:		
Appropriated fund balance		18,020,846
Encumbrances included in assigned fund balance		164,362
Total adjustments		18,185,208
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		\$ 31,283,167
Actual percentage of 2024-25 budget		9.43%

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

See Paragraph on Other Information Included in Auditor's Report

**EAST RAMAPO CENTRAL SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
NET INVESTMENT IN CAPITAL ASSETS
JUNE 30, 2024**

Capital assets, net		\$ 117,243,710
Add - Unspent debt proceeds		4,129,732
Deduct:		
Accounts payable - capital projects fund	\$ (11,351,965)	
Short-term portion of bonds payable, including premiums	(2,598,316)	
Long-term portion of bonds payable, including premiums	<u>(43,773,471)</u>	<u>(57,723,752)</u>
Net investment in capital assets		<u><u>\$ 63,649,690</u></u>

See Paragraph on Other Information Included in Auditor's Report