GATEWAY REGIONAL SCHOOL DISTRICT

FINANCIAL STATEMENTS, REQUIRED SUPPLEMENTARY INFORMATION, AND OTHER INFORMATION

FOR THE YEAR ENDED JUNE 30, 2024



GATEWAY REGIONAL SCHOOL DISTRICT

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CBIZ CPAs P.C.

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Independent Auditors' Report

To the School Committee
Gateway Regional School District
Huntington, MA

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying 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 School District, as of June 30, 2024, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards"*). 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 School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the budgetary comparison for the General Fund, and certain pension and OPEB schedules 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 which 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.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2025, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

CBIZ CPAs P.C.

Greenfield, MA
March 14, 2025

GATEWAY REGIONAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2024

As management of the Gateway Regional School District (the School District), we offer readers this narrative overview and analysis of the financial activities of the School District for the fiscal year ended June 30, 2024.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The basic financial statements are comprised of three components (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all assets, liabilities, and deferred outflows and inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The Statement of Activities presents information showing how the School District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The School District's funds can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School District's near-term financing decisions. Reconciliations are provided to facilitate this comparison between governmental funds and governmental activities.

Fiduciary Funds
Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's programs.

Notes to Financial Statements
The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information and Other Supplementary Information
In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which is required to be disclosed by accounting principles generally accepted in the United States of America, and other supplementary information.

Financial Highlights

- As of the close of the current fiscal year, net position in governmental activities was $6,266,740, a change of $2,744,522 as further discussed in the government-wide financial analysis section.
- As of the close of the current fiscal year, governmental funds reported a combined end fund balance of $5,076,966, a change of $345,448 in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $883,195, a change of 132,106 in comparison to the prior year.

Government-Wide Financial Analysis

The following is a summary of condensed government-wide financial data for the current and prior fiscal year.

Summary of Net Position

	2024	2023
Assets		
Current and other assets	$ 5,518,413	$ 5,045,964
Capital assets	20,344,539	21,021,183
Total Assets	25,862,952	26,067,147
Deferred Outflows of Resources	1,637,726	2,588,256
Liabilities		
Current liabilities	1,055,282	1,136,276
Noncurrent liabilities	15,193,524	16,481,927
Total Liabilities	16,248,806	17,618,203
Deferred Inflows of Resources	4,985,132	7,514,982
Net Position		
Net investment in capital assets	19,730,704	19,585,518
Restricted	3,353,417	3,112,364
Unrestricted	(16,817,381)	(19,175,664)
Total Net Position	$ 6,266,740	$ 3,522,218

As noted earlier, net position may serve over time as a useful indicator of the School District's financial position. At the close of the most recent fiscal year, total net position was $6,266,740, a change of $2,744,522 in comparison to the prior year.

A portion of net position, $19,730,704 reflects our investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position, $3,353,417 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position reflects a deficit of $(16,817,381), primarily resulting from unfunded pension and OPEB liabilities.

Summary of Change in Net Position

	2024	2023
Revenues		
Program revenues:		
Charges for services	$ 476,260	$ 253,895
Operating grants and contributions	5,287,012	4,839,300
General revenues:		
Assessments to member towns	10,108,661	9,853,456
Grants and contributions not restricted to specific programs	8,478,932	7,704,265
Investment income	251,580	103,415
Miscellaneous	17,715	16,931
Total Revenues	24,620,160	22,771,262
Expenses		
Administration	719,579	699,628
Instruction	10,214,926	8,874,895
Other school services	2,457,036	2,211,493
Operation and maintenance	1,807,778	1,801,366
Fixed charges	154,825	157,609
Special education	5,096,569	5,108,685
Intergovernmental	735,010	706,061
Unallocated depreciation	689,915	749,641
Total Expenses	21,875,638	20,309,378
Change in Net Position	2,744,522	2,461,884
Net Position, Beginning of Year	3,522,218	1,060,334
Net Position, End of Year	$ 6,266,740	$ 3,522,218

Governmental Activities

Governmental activities for the year resulted in a change in net position of $2,744,522. Key elements of this change are as follows:

General Fund operations	$ 104,395
School choice fund operations	81,764
Nonmajor governmental funds operations	159,289
Capital outlay	64,177
Depreciation expense in excess of principal debt service	(195,821)
Change in net OPEB liability, net of related deferrals	1,885,682
Change in net pension liability, net of related deferrals	338,081
Change in MSBA liability	222,995
Current year amortization of bond premium	53,835
Other	30,125
	$ 2,744,522

Financial Analysis of the School District's Funds

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, unassigned fund balance may serve as a useful measure of the School District's net resources available for spending at the end of the fiscal year.

General Fund

The General Fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the General Fund was $883,195, while total fund balance was $1,723,549. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Refer to the table below.

General Fund	June 30, 2024	June 30, 2023	Change	% of General Fund Expenditures *
Unassigned fund balance	$ 883,195	$ 751,089	$ 132,106	5.2%
Total fund balance	$ 1,723,549	$ 1,619,154	$ 104,395	10.1%

* Expenditure amounts used to calculate the above percentages have been adjusted to exclude the on-behalf payment from the Commonwealth of Massachusetts to the Massachusetts Teachers Retirement System of $1,975,585.

The total fund balance of the General Fund changed by $104,395 during the current fiscal year. Key factors in this change are as follows:

Revenues in excess of budget	$ 245,275
Expenditures less than budget	280,120
Use of excess and deficiency as a funding source	(421,000)
	$ 104,395

Included in the total fund balance of the General Fund is the School District's stabilization fund for compensated absences with a balance of $405,224 as of June 30, 2024.

General Fund Budgetary Highlights

During fiscal year 2024, there was no overall change to the original budget; however, there were line-item transfers voted by the School Committee.

Capital Assets and Debt Administration

Capital Assets

Total investment in capital assets at year-end amounted to $20,344,539 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery, equipment, and furnishings.

Major capital asset events during the current fiscal year were as follows:

- Current year depreciation expense of $(740,821).
- Purchase of cafeteria equipment of $64,177.

Additional information on capital assets can be found in the Notes to Financial Statements.

Long-Term Debt

At the end of the current fiscal year, total long-term debt (bonds payable) outstanding was $560,000, all of which was backed by the full faith and credit of the School District. The bonds payable balance reported in the accompanying financial statements includes unamortized bond premium of $53,835.

Additional information on long-term debt can be found in the Notes to Financial Statements.

Requests for Information

This financial report is designed to provide a general overview of the Gateway Regional School District's finances for all those with an interest in the School District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Ms. Stephanie Fisk
Assistant Superintendent for Finance and Operations
Gateway Regional School District
12 Littleville Road
Huntington, MA 01050

GATEWAY REGIONAL SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2024

Assets	
Current Assets	
Cash and cash equivalents	$ 4,764,869
Intergovernmental receivables	745,373
Inventory	8,171
Total Current Assets	5,518,413
Noncurrent Assets	
Nondepreciable capital assets	17,250
Other capital assets, net of accumulated depreciation	20,327,289
Total Noncurrent Assets	20,344,539
Total Assets	25,862,952
Deferred Outflows of Resources	
Related to pension	1,094,894
Related to OPEB	542,832
Total Deferred Outflows of Resources	1,637,726

The accompanying notes are an integral part of these financial statements.

GATEWAY REGIONAL SCHOOL DISTRICT

STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2024

Liabilities	
Current Liabilities	
Accounts payable	194,024
Accrued payroll and withholdings	247,423
Current portion of long-term liabilities:	
Bonds payable	613,835
Total Current Liabilities	1,055,282
Noncurrent Liabilities	
Net pension liability	4,534,167
Net OPEB liability	10,458,062
Compensated absences liability	201,295
Total Noncurrent Liabilities	15,193,524
Total Liabilities	16,248,806
Deferred Inflows of Resources	
Related to pension	62,492
Related to OPEB	4,922,640
Total Deferred Inflows of Resources	4,985,132
Net Position	
Net investment in capital assets	19,730,704
Restricted for:	
Grants and other statutory restrictions	3,353,417
Unrestricted	(16,817,381)
Total Net Position	$ 6,266,740

The accompanying notes are an integral part of these financial statements.

GATEWAY REGIONAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2024

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities
Governmental Activities				
Administration	$ 719,579	$ --	$ --	$ (719,579)
Instruction	10,214,926	388,903	2,759,393	(7,066,630)
Other school services	2,457,036	23,932	1,040,680	(1,392,424)
Operation and maintenance	1,807,778	63,425	--	(1,744,353)
Fixed charges	154,825	--	--	(154,825)
Special education	5,096,569	--	1,486,939	(3,609,630)
Intergovernmental	735,010	--	--	(735,010)
Unallocated depreciation	689,915	--	--	(689,915)
Total Governmental Activities	$ 21,875,638	$ 476,260	$ 5,287,012	(16,112,366)
		General Revenues		
		Assessments to member towns		10,108,661
		Grants and contributions not restricted to specific programs		8,478,932
		Investment income		251,580
		Miscellaneous		17,715
		Total General Revenues		18,856,888
		Change in Net Position		2,744,522
		Net Position, Beginning of Year		3,522,218
		Net Position, End of Year		$ 6,266,740

The accompanying notes are an integral part of these financial statements.

GATEWAY REGIONAL SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2024

	General Fund	School Choice Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 2,020,743	$ 1,684,027	$ 1,060,099	$ 4,764,869
Intergovernmental receivables	27,892	--	717,481	745,373
Inventory	--	--	8,171	8,171
Total Assets	$ 2,048,635	$ 1,684,027	$ 1,785,751	$ 5,518,413
Liabilities				
Accounts payable	$ 77,663	$ --	$ 116,361	$ 194,024
Accrued payroll and withholdings	247,423	--	--	247,423
Total Liabilities	325,086	--	116,361	441,447
Fund Balances				
Nonspendable	--	--	8,171	8,171
Restricted	--	1,684,027	1,661,219	3,345,246
Committed	405,224	--	--	405,224
Assigned	435,130	--	--	435,130
Unassigned	883,195	--	--	883,195
Total Fund Balances	1,723,549	1,684,027	1,669,390	5,076,966
Total Liabilities and Fund Balances	$ 2,048,635	$ 1,684,027	$ 1,785,751	$ 5,518,413

The accompanying notes are an integral part of these financial statements.

GATEWAY REGIONAL SCHOOL DISTRICT

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION

JUNE 30, 2024

Total Governmental Fund Balances	$ 5,076,966
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	20,344,539
Deferred outflows of resources related to pension to be recognized in pension expense in future periods.	1,094,894
Deferred outflows of resources related to OPEB to be recognized in OPEB expense in future periods.	542,832
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds:	
Bonds payable	(560,000)
Net pension liability	(4,534,167)
Net OPEB liability	(10,458,062)
Compensated absences liability	(201,295)
Deferred inflows of resources related to pension to be recognized in pension expense in future periods.	(62,492)
Deferred inflows of resources related to OPEB to be recognized in OPEB expense in future periods.	(4,922,640)
Other.	(53,835)
Net Position of Governmental Activities	$ 6,266,740

The accompanying notes are an integral part of these financial statements.

GATEWAY REGIONAL SCHOOL DISTRICT

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

FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	School Choice Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Assessments to member towns	$ 10,108,661	$ --	$ --	$ 10,108,661
Charges for services	--	--	476,260	476,260
Intergovernmental	8,454,612	642,110	4,387,826	13,484,548
Investment income	245,431	--	6,149	251,580
Miscellaneous	17,715	--	--	17,715
Total Revenues	18,826,419	642,110	4,870,235	24,338,764
Expenditures				
Current:				
Administration	605,780	54,375	--	660,155
Instruction	5,643,455	62,048	2,306,499	8,012,002
Other school services	1,322,977	96,415	1,018,344	2,437,736
Operation and maintenance	1,098,447	271,654	376,152	1,746,253
Fixed charges	126,810	--	48,550	175,360
Employee benefits	5,434,651	--	--	5,434,651
Acquisition	208,865	--	--	208,865
Special education	3,379,124	15,233	610,627	4,004,984
Intergovernmental	674,389	60,621	--	735,010
Debt service:				
Principal	545,000	--	--	545,000
Interest	33,300	--	--	33,300
Total Expenditures	19,072,798	560,346	4,360,172	23,993,316
Excess (Deficiency) of Revenues Over Expenditures	(246,379)	81,764	510,063	345,448
Other Financing Sources (Uses)				
Transfers in	350,774	--	--	350,774
Transfers out	--	--	(350,774)	(350,774)
Total Other Financing Sources (Uses)	350,774	--	(350,774)	--
Change in Fund Balance	104,395	81,764	159,289	345,448
Fund Balances, at Beginning of Year	1,619,154	1,602,263	1,510,101	4,731,518
Fund Balances, at End of Year	$ 1,723,549	$ 1,684,027	$ 1,669,390	$ 5,076,966

The accompanying notes are an integral part of these financial statements.

GATEWAY REGIONAL SCHOOL DISTRICT

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

FOR THE YEAR ENDED JUNE 30, 2024

Net Changes in Fund Balances - Total Governmental Funds	$	345,448
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Capital outlay		64,177
Depreciation		(740,821)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position:		
Repayment of debt		545,000
Amortization of bond premium		53,835
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Change in net pension liability and related deferred outflows and inflows		338,081
Change in net OPEB liability and related deferred outflows and inflows		1,885,682
MSBA grant repayment obligation		222,995
Other		30,125
Change in Net Position of Governmental Activities	$	2,744,522

The accompanying notes are an integral part of these financial statements.

GATEWAY REGIONAL SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

JUNE 30, 2024

	Private Purpose Trust Funds	Other Post-Employment Benefits Trust Fund	Custodial Funds
Assets			
Cash and cash equivalents	$ 54,752	$ --	$ 41,867
Investments in external investment pool	--	807,887	--
Total Assets	54,752	807,887	41,867
Net Position			
Restricted for OPEB purposes	--	807,887	--
Restricted for individuals and organizations	54,752	--	41,867
Total Net Position	$ 54,752	$ 807,887	$ 41,867

The accompanying notes are an integral part of these financial statements.

GATEWAY REGIONAL SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2024

	Private Purpose Trust Funds	Other Post-Employment Benefits Trust Fund	Custodial Funds
Additions			
Investment income, net	$ 805	$ 73,609	$ --
Contributions	22,960	611,328	--
Fees collected for students	--	--	41,140
Total Additions	23,765	684,937	41,140
Deductions			
Employee benefits	--	455,452	--
Scholarships awarded	26,650	--	--
Payments on behalf of students	--	--	40,765
Total Deductions	26,650	455,452	40,765
Change in Net Position	(2,885)	229,485	375
Restricted Net Position, Beginning of Year	57,637	578,402	41,492
Restricted Net Position, End of Year	$ 54,752	$ 807,887	$ 41,867

The accompanying notes are an integral part of these financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Gateway Regional School District (the School District) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental and financial reporting principles. The following is a summary of the significant policies of the School District:

REPORTING ENTITY

The School District is a municipal corporation governed by an elected School Committee. As required by GAAP, these financial statements present the School District and applicable component units for which the School District is considered to be financially accountable. In fiscal year 2024, it was determined that no entities met the component unit requirements of GASB Statement No. 14, *The Financial Reporting Entity* (as amended).

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Member assessments and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include member assessments.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. All other revenue items are considered to be measurable and available only when cash is received. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, certain expenditures such as debt service, claims and judgments, compensated absences, OPEB, and pension are recorded only when payment is due.

The School District reports the following major governmental funds:

- The *General Fund* is the School District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *School Choice Fund* is used to account for revenue from other communities whose students choose to attend the School District. The proceeds are used at the discretion of the School Committee to subsidize the General Fund operating budget.

The fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred.

The School District reports the following fiduciary funds:

- The *Private Purpose Trust Funds* are used to account for trust arrangements, under which principal and investment income exclusively benefit individuals.
- The *Other Post-Employment Benefits Trust Fund* is used to accumulate resources for health insurance benefits for retired employees.
- The *Custodial Funds* account for fiduciary assets held by the School District in a custodial capacity as an agent on behalf of others and are not required to be reported elsewhere on the financial statements. Custodial funds include student activity fees collected on behalf of students.

CASH AND INVESTMENTS

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash balances are invested to the extent available, and interest earnings are recognized in the General Fund. Certain special revenue and fiduciary funds segregate cash, and investment earnings become a part of those funds.

Deposits with financial institutions consist primarily of demand deposits and money market accounts. Generally, a cash and investment pool is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the financial statements under the caption "cash and cash equivalents."

The School District invests in the Massachusetts Municipal Depository Trust (MMDT) Cash Portfolio, an external investment pool overseen by the Treasurer of the Commonwealth of Massachusetts. This cash portfolio meets the requirements of GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, where investments are valued at amortized cost, which approximates the net asset value (NAV) of $1 per share.

The School District's OPEB Trust Fund is invested in the external investment pool – State Retirees Benefits Trust (SRBT). These investments are measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where applicable, fair values are based on quotations from national securities exchanges, except for certain investments that are required to be presented using net asset value (NAV). The NAV per share is the amount of net assets attributable to each share outstanding at the close of the period. Investments measured using NAV for fair value are not subject to level classification. using NAV.

INVENTORY

Inventory is valued at cost using the first-in/first-out (FIFO) method and is entirely related to the District's food service program.

CAPITAL ASSETS

Capital assets, which include land, buildings and improvements, machinery, equipment, and furnishings, are reported in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of four years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50
Building improvements	50
Machinery, equipment, and furnishings	5 – 10

COMPENSATED ABSENCES

It is the School District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vested sick and vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

The School District has established a stabilization fund for compensated absences to accumulate funds to pay out future vacation and sick pay. The balance in this fund at June 30, 2024, was $405,224.

LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position.

FUND EQUITY

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance

Generally, fund balance represents the difference between current assets/deferred outflows and current liabilities/deferred inflows. The School District has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying existing governmental fund type definitions, as follows:

- *Nonspendable* represents amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact. This fund balance classification includes inventory for the food service program.
- *Restricted* represents amounts that are restricted to specific purposes by constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. This fund balance classification includes various special revenue funds.
- *Committed* represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority. This fund balance classification includes a special purpose stabilization fund.
- *Assigned* represents amounts that are constrained by the School District's intent to use these resources for a specific purpose. This fund balance classification includes surplus set aside to be used in the subsequent year's budget.
- *Unassigned* represents amounts that are available to be spent in future periods. The General Fund is the only fund that reports a positive unassigned fund balance.

When an expenditure is incurred that would qualify for payment from multiple fund balance types, the School District uses the following order to liquidate liabilities: restricted, committed, assigned, and unassigned.

Net Position

Net position represents the difference between assets/deferred outflows and liabilities/ deferred inflows. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on use either through enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining net position is reported as unrestricted.

USE OF ESTIMATES

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures for contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

BUDGETARY INFORMATION

The School Committee annually determines the amount to be raised (after deducting the amount of anticipated revenue the School District expects to receive) to maintain and operate the School District during the next fiscal year. The School District then calculates the assessments to each town based on its approved budget and seeks an appropriation in the amount of that assessment from each town's annual town meeting. After assessments are appropriated by each town that are consistent with the School Committee's budget (either its initial budget or a budget revised to be consistent with the towns' appropriations), the School District Treasurer certifies the assessments to the treasurers of each town.

Formal budgetary integration is employed as a management control device during the year for the General Fund. Effective budgetary control is achieved for all other funds through provisions of Massachusetts General Laws.

At year-end, appropriation balances lapse, except for certain unexpended capital items and encumbrances, which will be honored during the subsequent year.

ASSESSMENTS OF MEMBER TOWN

Most capital and operating costs of the School District in excess of each town's net minimum contribution are apportioned to the member towns on the basis of their respective pupil enrollments in the School District on October 1 of the preceding year. Certain costs, such as transportation and debt service, are outside the net school spending requirements established by the Commonwealth of Massachusetts. These costs are apportioned to the member towns based on either the above percentage or on a member-specific basis. For the year ended June 30, 2024, the assessments were calculated as follows:

Member Town	Minimum Contribution	Contribution Outside Net Sch. Spending	Additional Contribution	Total Assessments
Blandford	$ 955,717	$ 355,882	$ 168,659	$ 1,480,258
Chester	917,452	467,784	221,691	1,606,927
Huntington	1,573,659	1,064,007	504,250	3,141,916
Middlefield	232,844	80,710	38,250	351,804
Montgomery	772,096	280,664	133,011	1,185,771
Russell	1,184,721	785,163	372,101	2,341,985
	$ 5,636,489	$ 3,034,210	$ 1,437,962	$ 10,108,661

NOTE 3 - DEPOSITS

Massachusetts General Laws (MGL) Chapter 44, Section 55 place certain limitation on the nature of deposits and investments available to the School District. Deposits, including demand deposits, money markets, and certificates of deposits in any one financial institution, may not exceed 60% of the capital and surplus of such institution unless collateralized by the institution involved. Investments may be made in unconditionally guaranteed U.S. government obligations having maturities of a year or less from the date of purchase, or through repurchase agreements with maturities of no greater than 90 days in which the underlying securities consist of such obligations. Other allowable investments include certificates of deposits having a maturity date of up to 3 years from the date of purchase, national banks, and Massachusetts Municipal Depository Trust (MMDT). MMDT, which is an external investment pool overseen by the Treasurer of the Commonwealth of Massachusetts, meets the criteria established by Governmental Accounting Standards Board Statement No. 79, *Certain External Investment Pools and Pool Participants*. MMDT has a maturity of less than 1 year and is not rated or subject to custodial credit risk disclosure. MGL Chapter 44, Section 54 provides additional investment options for certain special revenue, trust, and OPEB funds.

CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that in the event of bank failure, the School District's deposits may not be returned. The School District does not have formal deposit policies related to the custodial credit risk of deposits.

As of June 30, 2024, none of the School District's bank balance of $2,406,781 was exposed to custodial credit risk as uninsured and/or uncollateralized. Additionally, $3,054,668 was invested in MMDT, which is not subject to this disclosure.

NOTE 4 - INVESTMENTS - OPEB TRUST FUND

The School District does not have formal investment policies for the OPEB Trust Fund's investments.

As of June 30, 2024, all of the OPEB Trust Fund's investments of $807,887 were invested in the external (State) investment pool – State Retirees Benefit Trust Fund (SRBT), a pooled investment fund of the Commonwealth of Massachusetts created by legislation (Chapter 661 of the Acts of 1983). SRBT primarily serves the Commonwealth, municipalities and other governmental entities that elect to invest funds earmarked for retiree health insurance costs. The SRBT is mandated by statue to invest all of their assets into the Pension Reserve Investment Trust (PRIT), which meets the criteria of an external investment pool. PRIT is administered by the Pension Reserves Investment Management Board (PRIM), which was established by the Treasurer of the Commonwealth of Massachusetts who serves as Trustee. PRIM shall choose an investment advisor by requesting proposals from advisors and reviewing such proposals based on criteria adopted under MGL Chapter 30B. The fair value of the position in the PRIT is the same as the value of the PRIT shares.

CUSTODIAL CREDIT RISK

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the School District will not be able to recover the value of its investment or collateral securities that are in possession of another party.

As of June 30, 2024, all of the OPEB Trust Fund investments were unrated by nationally recognized statistical rating organizations.

CONCENTRATION OF CREDIT RISK

Concentration of credit risk is the risk of loss attributable to the magnitude of the School District's investment in a single issuer. The School District places no limit on the amount invested in any one issuer.

As of June 30, 2024, the OPEB Trust Fund did not have any investments subject to concentration of concentration of credit risk as investment classifications exceeding 5% are exempt from disclosure.

INTEREST RATE RISK

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the OPEB Trust Fund's investments to market interest rate fluctuations is not applicable as all of the OPEB Trust Fund's investments are immediately liquid.

FOREIGN CURRENCY RISK

As of June 30, 2024, all of the OPEB Trust Fund investments were exempt from foreign currency risk disclosure as they were invested in SRBT, which does not invest in foreign investments.

FAIR VALUE

The OPEB Trust Fund's investments are in SRBT, which are measured at net asset value (NAV). Investments measured at the NAV for fair value are not subject to level classification. The fair value of these investments has been determined using the NAV as a practical expedient and has not been categorized within the fair value hierarchy (Level 1, Level 2, or Level 3).

Investment Type	Amount	Unfunded Commitments	Redemption Frequency (If currently eligible)	Redemption Notice Period
External investment pool	$ 807,887	$ --	Monthly	30 days

NOTE 5 - INTERGOVERNMENTAL RECEIVABLES

This balance represents reimbursements requested from federal and state agencies for expenditures incurred in fiscal year 2024.

NOTE 6 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Being Depreciated:				
Buildings and improvements	$ 38,800,546	$ --	$ --	$ 38,800,546
Machinery, equipment, and furnishings	5,414,496	64,177	(1,151,639)	4,327,034
Total Capital Assets, Being Depreciated	44,215,042	64,177	(1,151,639)	43,127,580
Less Accumulated Depreciation For:				
Buildings and improvements	(18,218,827)	(674,311)	--	(18,893,138)
Machinery, equipment, and furnishings	(4,992,282)	(66,510)	1,151,639	(3,907,153)
Total Accumulated Depreciation	(23,211,109)	(740,821)	1,151,639	(22,800,291)
Capital Assets, Being Depreciated, Net	21,003,933	(676,644)	--	20,327,289
Capital Assets, Not Being Depreciated:				
Land	17,250	--	--	17,250
Total Capital Assets, Not Being Depreciated	17,250	--	--	17,250
Capital Assets, Net	$ 21,021,183	$ (676,644)	$ --	$ 20,344,539

Depreciation expense was charged to functions of the School District as follows:

Instruction	$ 34,754
Other school services	8,682
Operation and maintenance	7,470
Unallocated depreciation	689,915
	$ 740,821

NOTE 7 - DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources represent the consumption of net assets by the School District that apply to future reporting periods. Deferred outflows of resources have a positive effect on net position, similar to assets. Deferred outflows of resources related to pension and OPEB in accordance with GASB Statements No. 68 and 75 are more formally discussed in the corresponding pension and OPEB notes.

NOTE 8 - LONG-TERM DEBT

GENERAL OBLIGATION BONDS

The School District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The School District's general obligation bond outstanding as of June 30, 2024 was as follows:

Purpose	Original Issue Amount	Serial Maturities Through	Interest Rate(s) %	Amount Outstanding as of June 30, 2024
Governmental Activities				
General obligation bonds - direct placements:				
Building improvements - refunded	$ 4,910,000	12/01/24	4.00%	$ 560,000

FUTURE DEBT SERVICE

The remainder of the debt is scheduled to be paid in fiscal year 2025, with interest due totaling $11,200.

CHANGES IN LONG-TERM LIABILITIES

During the year ended June 30, 2024, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Less Current Portion	Equals Long-Term Portion
Bonds payable:						
Direct placements	$ 1,105,000	$ --	$ (545,000)	$ 560,000	$ (560,000)	$ --
Unamortized premium	107,670	--	(53,835)	53,835	(53,835)	--
Subtotal - Bonds payable	1,791,505	--	(598,835)	613,835	(613,835)	--
Net pension liability	4,614,678	--	(80,511)	4,534,167	--	4,534,167
Net OPEB liability	11,021,994	--	(563,932)	10,458,062	--	10,458,062
MSBA obligation	222,995	--	(222,995)	--	--	--
Compensated absences liability	231,420	--	(30,125)	201,295	--	201,295
	$ 17,882,592	$ --	$ (1,496,398)	$ 15,807,359	$ (613,835)	$ 15,193,524

UNAMORTIZED BOND PREMIUM

Bond premium of $538,350 was received in fiscal year 2015 as a result of the issuance of $4,910,000 of refunding bonds. The premium is being amortized on a straight-line basis over a 10-year period ending in fiscal year 2025. The annual amortization is $53,835, and the unamortized bond premium at June 30, 2024, was $53,835.

LONG-TERM DEBT SUPPORTING GOVERNMENTAL ACTIVITIES

General obligation bonds, issued by the School District for various projects, are approved by the School Committee and repaid with revenues recorded in the General Fund. All other long-term debt is repaid from the funds that the cost related to, primarily the General Fund.

NOTE 9 - MSBA OBLIGATION

Effective July 1, 2010, the School District terminated agreements for the leasing of elementary schools with the towns of Blandford, Russell, and Worthington, Massachusetts and closed the schools. As a result of this action, the Massachusetts School Building Authority (MSBA) required the School District to repay $4,587,165 of funds granted to the School District in prior years to finance leasehold improvements associated with these three school buildings.

In fiscal year 2016, the School District re-opened the elementary schools in Russell and Worthington, Massachusetts, and as a result, the MSBA agreed to forgive the pro rata share of the grant funds associated with those buildings, which totaled $2,182,990.

In fiscal year 2019, the elementary school in Russell, Massachusetts was again closed, which resulted in the School District having to repay the portion of the grant that had been forgiven upon reopening the school in fiscal year 2016. The last payment was made to the MSBA in fiscal year 2024 for repayment of grants associated with the elementary schools in Blandford and Russell, Massachusetts.

NOTE 10 - DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources represent the acquisition of net assets by the School District that apply to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities. Deferred inflows of resources related to pension and OPEB, in accordance with GASB Statements No. 68 and 75, will be recognized as expense in future years and are more fully described in the corresponding pension and OPEB notes.

NOTE 11 - INTERFUND ACCOUNTS

TRANSFERS

The School District reports interfund transfers between various funds. Most transfers result from budgetary or statutory actions, whereby funds are moved to accomplish various expenditure purposes. There was one transfer in fiscal year 2024 for the amount of $350,774, which transferred funds to the General Fund from the Transportation Revolving Fund, which is reported in nonmajor governmental funds, to supplement the operating budget.

NOTE 12 - GOVERNMENTAL FUNDS - FUND BALANCES

The School District's fund balances at June 30, 2024, were comprised of the following:

	General Fund	School Choice Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable				
Reserve for inventory	$ --	$ --	$ 8,171	$ 8,171
Total Nonspendable	--	--	8,171	8,171
Restricted				
Special revenue funds	--	1,684,027	1,661,219	3,345,246
Total Restricted	--	1,684,027	1,661,219	3,345,246
Committed				
Stabilization fund for compensated absences *	405,224	--	--	405,224
Total Committed	405,224	--	--	405,224
Assigned				
Reserved for expenditures:				
Operating budget	435,130	--	--	435,130
Total Assigned	435,130	--	--	435,130
Unassigned				
General Fund	883,195	--	--	883,195
Total Unassigned	883,195	--	--	883,195
Total Fund Balance	$ 1,723,549	$ 1,684,027	$ 1,669,390	$ 5,076,966

* Massachusetts General Laws Chapter 40, Section 5B allow for the establishment of stabilization funds for one or more different purposes. The creation of a fund requires two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any change to the purpose of the fund, along with any additions to or appropriations from the fund, requires a two-thirds vote of the legislative body.

NOTE 13 - RESTRICTED NET POSITION

The School District's restricted net position at June 30, 2024 are comprised of the following:

Purpose	Balance
School choice	$ 1,684,027
Regional transportation	343,035
Circuit breaker	464,199
Food service	223,815
Wrap around revolving	192,526
Revolving	90,794
Federal grants	54,555
Tuition revolving	298,022
State grants	2,444
	$ 3,353,417

NOTE 14 - HAMPSHIRE COUNTY RETIREMENT SYSTEM

The School District follows the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* with respect to employees' retirement funds.

PLAN DESCRIPTION

Certain employees of the School District (not including teachers and administrators) are members of the Hampshire County Retirement System (the System), a cost-sharing, multiple-employer public employee retirement system (PERS). Eligible employees must participate in the System. The System provides pension benefits, deferred allowances, and death and disability benefits. Chapter 32 of MGL establishes the authority of the System, contribution percentages and benefits paid. The System Retirement Board does not have the authority to amend benefit provisions. Additional information is disclosed in the System's annual financial reports publicly available from the System located at 99 Industrial Drive, Northampton, MA 01060.

There are four classes of membership in the retirement system, but one of these classes, Group 3, is made up exclusively of the Massachusetts State Police. The other three classes are as follows:

- Group 1 – General employees, including clerical, administrative, technical, and all other employees not otherwise classified.

- Group 2 – Certain specified hazardous duty positions.
- Group 4 – Police officers, firefighters, and other specified hazardous positions.

Participant Contributions

Participants contribute a set percentage of their gross regular compensation annually. Employee contribution percentages are specified in Chapter 32 of Massachusetts General Laws. The employee's individual contribution percentage is determined by their date of entry into the System. In addition, all employees hired after January 1, 1979, contribute an additional 2% on all gross regular compensation over the rate of $30,000 per year. The percentages are as follows:

Before January 1, 1975	5%
January 1, 1975 – December 31, 1983	7%
January 1, 1984 – June 30, 1996	8%
Beginning July 1, 1996	9%

For those members entering the System on or after April 2, 2012, in Group 1, the contribution rate will be reduced to 6% when at least 30 years of creditable service has been attained.

Participant Retirement Benefits

A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and a portion of the interest they generate constitute the annuity. The difference between the total retirement allowance and the annuity is the pension. The average retirement benefit is approximately 80-85% pension and 15-20% annuity.

The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest 3-year average annual rate of regular compensation for those hired prior to April 2, 2012, and the highest 5-year average annual rate of regular compensation for those first becoming members of the System on or after that date. However, per Chapter 176 of the Acts of 2011, for members who retire on or after April 2, 2012, if in the 5 years of creditable service immediately preceding retirement, the difference in the annual rate of regular compensation between any 2 consecutive years exceeds 100%, the normal yearly amount of the retirement allowance shall be based on the average annual rate of regular compensation received by the member during the period of 5 consecutive years preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation and group classification.

A retirement allowance may be received at any age, upon attaining 20 years of service. The plan also provides for retirement at age 55 if the participant was a member prior to January 1, 1978, with no minimum vesting requirements. If the participant was a member on or after January 1, 1978, and a member of Groups 1 or 2, then a retirement allowance may be received if the participant (1) has at least 10 years of creditable service, (2) is age 55, (3) voluntarily left School District employment on or after that date, and (4) left accumulated annuity deductions in the fund. Members of Group 4 have no minimum vesting requirements, however, must be at least age 55. Groups 2 and 4 require that participants perform the duties of the Group position for at least 12 months immediately prior to retirement.

A participant who became a member on or after April 2, 2012, is eligible for a retirement allowance upon 10 years creditable service and reaching ages 60 or 55 for Groups 1 and 2, respectively. Participants in Group 4 must be at least age 55. Groups 2 and 4 require that participants perform the duties of the group position for at least 12 months immediately prior to retirement.

Methods of Payment

A member may elect to receive his or her retirement allowance in one of three forms of payment as follows:

- Option A – Total annual allowance, payable in monthly installments, commencing at retirement and terminating at the member's death.
- Option B – A reduced annual allowance, payable in monthly installments, commencing at retirement and terminating at the death of the member—provided, however, that if the total amount of the annuity portion received by the member is less than the amount of his or her accumulated deductions, including interest, the difference or balance of his accumulated deductions will be paid in a lump sum to the retiree's beneficiary or beneficiaries of choice.
- Option C – A reduced annual allowance, payable in monthly installments, commencing at retirement. At the death of the retired employee, 2/3 of the allowance is payable to the member's designated beneficiary (who may be the spouse, or former spouse who has not remarried, child, parent, sister, or brother of the employee) for the life of the beneficiary. For members who retired on or after January 12, 1988, if the beneficiary pre-deceases the retiree, the benefit payable increases (or "pops up" to Option A) based on the factor used to determine the Option C benefit at retirement. For members who retired prior to January 12, 1988, if the System has accepted Section 288 of Chapter 194 of the Acts of 1998 and the beneficiary pre-deceases the retiree, the benefit payable "pops up" to Option A in the same fashion. The Option C became available to accidental disability retirees on November 7, 1996.

Participant Refunds

Employees who resign from service and who are not eligible to receive a retirement allowance are entitled to request a refund of their accumulated total deductions. Members voluntarily withdrawing with at least 10 years of service or involuntarily withdrawing, receive 100% of the regular interest that has accrued on those accumulated total deductions. Members voluntarily withdrawing with less than 10 years of service get credited interest each year at a rate of 3%.

Employer Contributions

Employers are required to contribute at actuarially determined rates as accepted by the Public Employee Retirement Administration Commission (PERAC).

The School District's contribution to the System for the year ended June 30, 2024, was $803,077, which was equal to its annual required contribution.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the System and additions to/deductions from System's fiduciary net position have been determined on the same basis as they are reported by System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSION

At June 30, 2024, the School District reported a liability of $4,534,167 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the System relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the School District's proportion was 2.477%, which was an increase of 0.170% from its proportion measured as of December 31, 2022.

For the year ended June 30, 2024, the School District recognized pension expense of $464,996. In addition, the School District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 466,687	$ --
Difference between expected and actual experience	80,025	(62,492)
Changes of assumptions	489,131	--
Changes in proportion and differences between contributions and proportionate share of contributions	59,051	--
	$ 1,094,894	$ (62,492)

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

Year Ended June 30,	Amount
2025	$ 145,688
2026	237,383
2027	435,527
2028	55,181
2029	85,382
Thereafter	73,241
	$ 1,032,402

ACTUARIAL ASSUMPTIONS

The total pension liability in the most recent actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	January 1, 2024
Actuarial cost method	Entry age normal cost
Actuarial assumptions:	
Investment rate of return	6.8%, net of pension plan investment expense
Projected salary increases	Group 1: 6% - 4.25%, based on service Group 4: 7% - 4.75%, based on service
Inflation rate	2.5%
Post-retirement cost-of-living adjustment	3% of first $13,000

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with full generational mortality improvement using Scale MP-2021. For disabled lives, the mortality rates were based on the RP-2014 Blue Collar Mortality Table set forward one year with full generational mortality improvement using Scale MP-2021.

TARGET ALLOCATION

The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building-block approach. Under this method, an expected future real return range (expected returns, net of pension plan investment expense and inflation) is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation.

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

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Cash	3.00%	0.00%
Domestic equity	26.00%	4.40%
Non-U.S. developed equity	11.00%	4.10%
Emerging equity	6.00%	6.70%
Private equity	16.00%	7.70%
Core bonds	12.00%	2.40%
Value add fixed income - public	12.00%	5.30%
Real estate	14.00%	4.10%
	100.00%	

DISCOUNT RATE

The discount rate used to measure the total pension liability was 6.8%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive 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 CHANGES IN THE DISCOUNT RATE

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 6.8%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

1% Decrease (5.8%)	Current Discount Rate (6.8%)	1% Increase (7.8%)
$ 6,396,366	$ 4,534,167	$ 2,960,472

PENSION PLAN FIDUCIARY NET POSITION

Detailed information about the pension plan's fiduciary net position is available in the System's separately issued financial report.

NOTE 15 - MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM (MTRS)

PLAN DESCRIPTION

The Massachusetts Teachers' Retirement System (MTRS) is a public employee retirement system (PERS) that administers a cost-sharing multiemployer defined benefit plan, as defined in GASB Statement No. 67, *Financial Reporting for Pension Plans*. The MTRS is managed by the Commonwealth of Massachusetts on behalf of municipal teachers and municipal teacher retirees. The Commonwealth of Massachusetts is a nonemployer contributor and is responsible for all contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives, and Quincy College. The MTRS is part of the Commonwealth of Massachusetts' reporting entity and does not issue a stand-alone audited financial report.

Management of the MTRS is vested in the Massachusetts Teachers' Retirement Board (MTRB), which consists of seven members — two elected by the MTRS members, one who is chosen by the six other MTRB members, the State Treasurer (or their designee), the State Auditor (or their designee), a member appointed by the Governor, and the Commissioner of Education (or their designee), who serves ex-officio as the Chairman of the MTRB.

BENEFITS PROVIDED

The MTRS provides retirement, disability, survivor, and death benefits to members and their beneficiaries. MGL establish uniform benefit and contribution requirements for all contributory PERS. These requirements provide for superannuation retirement allowance benefits up to a maximum of 80% of a member's highest 3-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last 5 years or any 5 consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member's age, length of creditable service, and group creditable service and group classification. The authority for amending these provisions rests with the Legislature.

Members become vested after 10 years of creditable service. A superannuation retirement allowance may be received upon the completion of 20 years of creditable service or upon reaching the age of 55 with 10 years of service. Normal retirement for most employees occurs at age 65. Most employees who joined the system after April 1, 2012, cannot retire prior to age 60.

The MTRS' funding policies have been established by Chapter 32 of MGL. The Legislature has the authority to amend these policies. The annuity portion of the MTRS retirement allowance is funded by employees who contribute a percentage of their regular compensation. Costs of administering the plan are funded out of plan assets.

CONTRIBUTIONS

Member contributions for the MTRS vary depending on the most recent date of membership:

Membership Date	% of Compensation
Prior to 1975	5% of regular compensation
1975 to 1983	7% of regular compensation
1984 to 6/30/1996	8% of regular compensation
7/1/1996 to present	9% of regular compensation
7/1/2001 to present	11% of regular compensation (for teachers hired after 7/1/01 and those accepting provisions of Chapter 114 of the Acts of 2000)
1979 to present	An additional 2% of regular compensation in excess of $30,000

In addition, members who join the MTRS on or after April 2, 2012, will have their withholding rates reduced to 8% for those participating in retirement, otherwise the withholdings are reduced to 6% plus 2% on earnings over $30,000 a year after achieving 30 years of creditable service.

ACTUARIAL ASSUMPTIONS

The total pension liability for the June 30, 2023, measurement date was determined by an actuarial valuation as of January 1, 2023, rolled forward to June 30, 2023. This valuation used the following assumptions:

- (a) 2.5% inflation rate; (b) 7.00% (changed from 7.15%) investment rate of return, (c) 3.50% interest rate credited to the annuity savings fund and (d) 3.00% cost of living increase per year on the first $13,000 per year.
- Salary increases are based on analyses of past experience, but range from 4.00% to 7.25% depending on length of service.
- Experience study is dated July 21, 2014, and encompasses the period January 1, 2006 to December 31, 2011, updated to reflect post-retirement mortality from 2012-2020.

Mortality rates were as follows:

- Pre-retirement – reflects Pub-2010 Teachers Employees mortality table (headcount weighted) projected generationally with Scale MP-2021 (gender distinct).
- Post-retirement – reflects Pub-2010 Teachers Retirees mortality table (headcount weighted) projected generationally with Scale MP-2021 (gender distinct).
- Disability – assumed to be in accordance with the Pub-2010 Teachers Retirees Mortality Table (headcount weighted) projected generationally with Scale MP-2021 (gender distinct).

TARGET ALLOCATIONS

Investment assets of the MTRS are with the Pension Reserves Investment Trust (PRIT) Fund. 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 rates of return 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 rates of return by the target asset allocation percentage. Best estimates of geometric rates of return for each major asset class included in the PRIT Fund's target asset allocation as of June 30, 2023, are summarized in the following table.

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	37.00%	4.90%
Core fixed income	15.00%	1.90%
Private equity	16.00%	7.40%
Portfolio completion strategies	10.00%	3.80%
Real estate	10.00%	3.00%
Value added fixed income	8.00%	5.10%
Timber/natural resources	4.00%	4.30%
	100.00%	

DISCOUNT RATE

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the Commonwealth of Massachusetts' contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the 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 ANALYSIS

The following illustrates the sensitivity of the collective net pension liability to changes in the discount rate. In particular, the table presents the MTRS collective net pension liability assuming it was calculated using a single discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate (amounts in thousands):

1% Decrease to 6.00%	Current Discount Rate 7.00%	1% Increase to 8.00%
$ 33,378,000	$ 26,290,271	$ 20,292,000

SPECIAL FUNDING SITUATION

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68) and the Commonwealth of Massachusetts is a nonemployer contributing entity in the MTRS. Since the employers do not contribute to the MTRS, there is no net pension liability to recognize for each employer.

SCHOOL DISTRICT PROPORTIONS

In fiscal year 2023 (the most recent measurement period), the School District's proportionate share of the MTRS' collective net pension liability was approximately $24.2 million based on a proportionate share of 0.0919%. As required by GASB 68, the School District has recognized its portion of the Commonwealth of Massachusetts' contribution of approximately $1.98 million as both a revenue and expenditure on the Statement of Revenues, Expenditures, and Changes in Fund Balances, and its portion of the collective pension expense of approximately $2.26 million as both a revenue and expense on the Statement of Activities.

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS

The School District has implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*. This applies if a trust fund has been established to fund future OPEB costs. In fiscal year 2015, the School District established a single-employer defined benefit OPEB Trust Fund to provide funding for future employee health care costs. The OPEB Trust Fund does not issue a stand-alone financial report.

The School District has also implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. This statement identifies the methods and assumptions that are required to be used to project benefit payments, discounted projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

All the following OPEB disclosures are based on a measurement date of June 30, 2024.

GENERAL INFORMATION ABOUT THE OPEB PLAN

Plan Description

The School District provides postemployment healthcare benefits for retired employees through the School District's plan. The School District provides health insurance coverage through Hampshire County Group Insurance Trust. The benefits, benefit levels, employee contributions, and employer contributions are governed by Chapter 32 of MGL.

Benefits Provided

The School District provides medical and prescription drug insurance to retirees and their covered dependents. All active employees who retire from the School District and meet the eligibility criteria will receive these benefits.

Funding Policy

The School District's funding policy including financing the implicit subsidy on a pay-as-you-go basis, as required by statute. Additional contributions are based on annual budget limitations.

Plan Membership

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

Inactive employees or beneficiaries currently receiving benefit payments	125
Active employees	124
	249

INVESTMENTS

The OPEB Trust Fund assets at June 30, 2024 were invested in the external (State) investment pool – State Retirees Benefit Trust Fund (SRBT).

Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 11.79%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

ACTUARIAL ASSUMPTIONS

The net OPEB liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.5%, average, including inflation
Investment rate of return	6.90%, net of OPEB plan investment expense
Municipal bond rate	3.65%
Discount rate	4.49%
Healthcare cost trend rates	6.0% in 2024 decreasing to 4.5% in 2027 and beyond
Retirees' share of benefit-related costs	50%
Participation rate	100% of the current active school employees covered under the plan on the day before retirement would enroll in a medical plan upon retirement

Mortality rates were based on the RPH-2014 headcount-weighted fully generational mortality table with projection scale MP-2021.

TARGET ALLOCATIONS

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2024, are summarized in the following table.

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
U.S. equity	33.00%	4.10%
Non-U.S. equity	21.00%	6.20%
U.S. aggregate bonds	15.00%	2.40%
Intermediate-term credit	10.00%	2.80%
Short-term credit	5.00%	2.40%
Non-U.S. bonds	10.00%	2.10%
REITs	6.00%	4.50%
	100.00%	

DISCOUNT RATE

The discount rate used to measure the net OPEB liability was 4.49%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate.

Based on those assumptions, the OPEB plan fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members. As a result, a blended discount rate was used based on a combination of the investment rate of return of 6.90% and municipal bond rate of 3.65% (based on the Bond Buyer's 20 Bond Index as of June 30, 2024).

NET OPEB LIABILITY

The components of the net OPEB liability, measured as of June 30, 2024, were as follows:

Total OPEB liability	$ 11,265,949
Plan fiduciary net position	(807,887)
Net OPEB liability	$ 10,458,062
Plan fiduciary net position as a percentage of the total OPEB liability	7.17%

CHANGES IN THE NET OPEB LIABILITY

The following summarizes the changes in the net OPEB liability for the past year:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances, Beginning of Year	$ 11,600,396	$ 578,402	$ 11,021,994
Changes for the year:			
Service cost	392,318	--	392,318
Interest	473,043	--	473,043
Contributions - employer	--	155,876	(155,876)
Net investment income	--	23,252	(23,252)
Differences between expected and actual experience	--	50,357	(50,357)
Changes of assumptions	(744,356)	--	(744,356)
Benefit payments	(455,452)	--	(455,452)
Net Changes	(334,447)	229,485	(563,932)
Balances, End of Year	$ 11,265,949	$ 807,887	$ 10,458,062

Changes of assumptions are the result of a change in the discount rate from 4.02% in 2023 to 4.49% in 2024. The mortality table and various demographic assumptions were also updated. Differences between expected and actual experience were there result of healthcare costs increasing less than assumed.

SENSITIVITY OF THE NET OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that was one percentage-point lower or one percentage-point higher than the current discount rate:

1% Decrease (3.49%)	Current Discount Rate (4.49%)	1% Increase (5.49%)
$ 12,134,457	$ 10,458,062	$ 9,092,254

SENSITIVITY OF THE NET OPEB LIABILITY TO CHANGES IN THE HEALTHCARE COST TREND RATES

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that was one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

1% Decrease (5.50% decreasing to 3.50%)	Current Healthcare Cost Trend Rates (6.50% decreasing to 4.50%)	1% Increase (7.50% decreasing to 5.50%)
$ 8,794,289	$ 10,458,062	$ 12,566,683

OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended June 30, 2024, the School District recognized an OPEB expense (credit) of $(1,274,354). At June 30, 2024, the School District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ --	$ (1,920,060)
Change of assumptions	542,832	(2,962,695)
Net difference between projected and actual OPEB investment earnings	--	(39,885)
	$ 542,832	$ (4,922,640)

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

Year Ended June 30,	Amount
2025	$ (2,090,316)
2026	(1,522,270)
2027	(603,374)
2028	(163,848)
2029	--
	$ (4,379,808)

NOTE 17 - COMMITMENTS AND CONTINGENCIES

GRANTS

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures, which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amounts, if any, to be immaterial.

Due to the federal government's review and potential restructuring of federal funding priorities, there is uncertainty regarding the continuation and amount of future funding from federal sources. The School District is monitoring policy developments and may need to explore alternative funding sources to mitigate potential impacts.

SELF-INSURANCE

The School District participates in the Hampshire County Group Insurance Trust (the Trust) to provide health insurance coverage to its employees. The Trust is funded by member assessments, which are calculated in a manner similar to commercial insurance premiums. As of June 30, 2024, the Trust had contracted with an insurance carrier for excess liability coverage, which takes effect when an individual claim exceeds $350,000.

If the Trust were to experience a cash deficit, each member would be required to contribute additional funds. At June 30, 2023, according to the Trust's audited financial statements, after accruing an estimated liability for incurred, but unreported claims of approximately $5.4 million, the Trust was in a surplus position of approximately $20.9 million.

GATEWAY REGIONAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES (USES) – BUDGET AND ACTUAL – GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget
	Original Budget	Final Budget	Actual Amounts	Positive (Negative)
Revenues				
Assessments to member towns	$ 10,108,661	$ 10,108,661	$ 10,108,661	$ --
Intergovernmental	6,449,974	6,449,974	6,479,027	29,053
Investment income	40,924	40,924	245,431	204,507
Miscellaneous	6,000	6,000	17,715	11,715
Total Revenues	16,605,559	16,605,559	16,850,834	245,275
Expenditures				
Administration	605,992	612,492	605,780	6,712
Instruction	5,752,658	5,685,500	5,643,455	42,045
Other school services	1,426,395	1,382,586	1,322,977	59,609
Operation and maintenance	1,166,386	1,162,430	1,098,447	63,983
Fixed charges	3,451,036	128,442	126,810	1,632
Employee benefits	128,442	3,460,797	3,459,066	1,731
Acquisition	222,995	222,995	208,865	14,130
Special education	3,418,468	3,463,883	3,379,124	84,759
Intergovernmental	626,661	679,908	674,389	5,519
Debt service	578,300	578,300	578,300	--
Total Expenditures	17,377,333	17,377,333	17,097,213	280,120
Excess (Deficiency) of Revenues Over (Under) Expenditures	(771,774)	(771,774)	(246,379)	525,395
Other Financing Sources (Uses)				
Transfers in	350,774	350,774	350,774	--
Use of excess and deficiency:				
Operating budget	421,000	421,000	--	(421,000)
Total Other Financing Sources (Uses)	771,774	771,774	350,774	(421,000)
Overall Budgetary Surplus	$ --	$ --	$ 104,395	$ 104,395

See independent auditors' report and notes to required supplementary information.

GATEWAY REGIONAL SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR GENERAL FUND BUDGET

FOR THE YEAR ENDED JUNE 30,2024

BUDGETARY BASIS

The General Fund final appropriation appearing on the previous page represents the final amended budget after all reserve fund transfers and supplemental appropriations. The School District's budget is prepared on a budgetary basis of accounting. Under the budgetary basis, the School District recognizes revenues when they are measurable and available, and expenditures are recognized when the liability is incurred. Encumbrances are recorded as expenditures for budgetary purposes.

The legal level of budgetary control is at the fund level as voted by the School Committee.

BUDGET/GAAP RECONCILIATION

The budgetary data for the General Fund is based upon accounting principles that differ from GAAP. Therefore, in addition to the GAAP basis financial statements, the results of operations of the General Fund are presented in accordance with budgetary accounting principles to provide a meaningful comparison to budgetary data.

The following is a summary of adjustments made to the actual revenues, expenditures, and other financing sources (uses), to conform to the budgetary basis of accounting.

	Revenues	Expenditures	Other Financing Sources (Uses)
GAAP Basis	$ 18,826,419	$ 19,072,798	$ 350,774
Reverse the effect of non-budgeted State contributions to teachers retirement	(1,975,585)	(1,975,585)	--
Budgetary Basis	$ 16,850,834	$ 17,097,213	$ 350,774

See independent auditors' report.

GATEWAY REGIONAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
(Dollars expressed in thousands)

Hampshire County Retirement System

Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
June 30, 2024	December 31, 2023	2.47705%	$ 4,534	$ 2,377	190.74%	72.20%
June 30, 2023	December 31, 2022	2.30667%	$ 4,615	$ 2,219	207.98%	68.20%
June 30, 2022	December 31, 2021	2.22538%	$ 2,888	$ 2,129	135.65%	78.60%
June 30, 2021	December 31, 2020	2.28006%	$ 4,072	$ 1,988	204.83%	69.20%
June 30, 2020	December 31, 2019	2.44222%	$ 4,878	$ 1,986	245.62%	64.30%
June 30, 2019	December 31, 2018	2.51571%	$ 5,423	$ 2,104	257.75%	58.91%
June 30, 2018	December 31, 2017	2.57033%	$ 4,777	$ 2,023	236.13%	63.12%
June 30, 2017	December 31, 2016	2.68882%	$ 5,910	$ 2,122	278.51%	55.60%
June 30, 2016	December 31, 2015	2.80932%	$ 5,834	$ 2,273	256.67%	55.29%
June 30, 2015	December 31, 2014	2.93436%	$ 5,490	$ 2,154	254.87%	58.07%

Massachusetts Teachers' Retirement System

Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Commonwealth of Massachusetts' Total Proportionate Share of the Net Pension Liability Associated with the School District	Total Net Pension Liability Associated with the School District	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
June 30, 2024	June 30, 2023	0.091944%	$ --	$ 24,172	$ 24,172	$ 7,939	--	58.48%
June 30, 2023	June 30, 2022	0.091864%	$ --	$ 23,782	$ 23,782	$ 7,561	--	57.75%
June 30, 2022	June 30, 2021	0.088722%	$ --	$ 20,146	$ 20,146	$ 6,881	--	62.03%
June 30, 2021	June 30, 2020	0.093658%	$ --	$ 26,735	$ 26,735	$ 7,096	--	50.67%
June 30, 2020	June 30, 2019	0.095417%	$ --	$ 24,058	$ 24,058	$ 6,944	--	53.95%
June 30, 2019	June 30, 2018	0.093142%	$ --	$ 22,085	$ 22,085	$ 6,541	--	54.84%
June 30, 2018	June 30, 2017	0.094272%	$ --	$ 21,575	$ 21,575	$ 6,402	--	54.25%
June 30, 2017	June 30, 2016	0.101703%	$ --	$ 22,739	$ 22,739	$ 6,690	--	52.73%
June 30, 2016	June 30, 2015	0.107634%	$ --	$ 22,054	$ 22,054	$ 6,823	--	55.38%
June 30, 2015	June 30, 2014	0.108283%	$ --	$ 17,213	$ 17,213	$ 6,639	--	61.64%

See notes to the School District's financial statements for summary of significant actuarial methods and assumptions.

See independent auditors' report.

GATEWAY REGIONAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
(Dollars expressed in thousands)

Hampshire Retirement System

Fiscal Year	Measurement Date	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2024	December 31, 2023	$ 803	$ 803	$ --	$ 2,377	33.78%
June 30, 2023	December 31, 2022	$ 697	$ 697	$ --	$ 2,219	31.41%
June 30, 2022	December 31, 2021	$ 625	$ 625	$ --	$ 2,129	29.36%
June 30, 2021	December 31, 2020	$ 595	$ 595	$ --	$ 1,988	29.93%
June 30, 2020	December 31, 2019	$ 593	$ 593	$ --	$ 1,986	29.86%
June 30, 2019	December 31, 2018	$ 569	$ 569	$ --	$ 2,104	27.04%
June 30, 2018	December 31, 2017	$ 548	$ 548	$ --	$ 2,023	27.09%
June 30, 2017	December 31, 2016	$ 530	$ 530	$ --	$ 2,122	24.98%
June 30, 2016	December 31, 2015	$ 523	$ 523	$ --	$ 2,273	23.01%
June 30, 2015	December 31, 2014	$ 512	$ 512	$ --	$ 2,154	23.77%

Massachusetts Teachers' Retirement System

Fiscal Year	Measurement Date	Actuarially Determined Contribution Provided by Commonwealth	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2024	June 30, 2023	$ 1,976	$ 1,976	$ --	$ 7,939	24.89%
June 30, 2023	June 30, 2022	$ 1,933	$ 1,933	$ --	$ 7,561	25.57%
June 30, 2022	June 30, 2021	$ 1,551	$ 1,551	$ --	$ 6,881	22.54%
June 30, 2021	June 30, 2020	$ 1,455	$ 1,455	$ --	$ 7,096	20.50%
June 30, 2020	June 30, 2019	$ 1,378	$ 1,378	$ --	$ 6,944	19.84%
June 30, 2019	June 30, 2018	$ 1,225	$ 1,225	$ --	$ 6,541	18.73%
June 30, 2018	June 30, 2017	$ 1,165	$ 1,165	$ --	$ 6,402	18.20%
June 30, 2017	June 30, 2016	$ 1,144	$ 1,144	$ --	$ 6,689	17.10%
June 30, 2016	June 30, 2015	$ 1,100	$ 1,100	$ --	$ 6,823	16.12%
June 30, 2015	June 30, 2014	$ 1,015	$ 1,015	$ --	$ 6,639	15.29%

See notes to the School District's financial statements for summary of significant actuarial methods and assumptions.

See independent auditors' report.

GATEWAY REGIONAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY
(Dollars expressed in thousands)

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	$ 392	$ 376	$ 638	$ 656	$ 601	$ 527	$ 697
Interest	473	460	390	358	620	617	612
Differences between expected and actual experience	--	(1,733)	--	(3,585)	(139)	(1,530)	--
Changes of assumptions	(744)	201	(3,661)	(3,415)	4,324	570	(2,327)
Benefit payments, including refunds of member contributions	(455)	(426)	(473)	(471)	(465)	(444)	(452)
Net Change in Total OPEB Liability	(334)	(1,122)	(3,106)	(6,457)	4,941	(260)	(1,470)
Total OPEB Liability - Beginning	11,600	12,722	15,828	22,285	17,344	17,604	19,074
Total OPEB Liability - Ending (a)	11,266	11,600	12,722	15,828	22,285	17,344	17,604
Plan Fiduciary Net Position							
Differences between expected and actual experience	50	25	(55)	32	--	--	--
Contributions - employer	612	476	673	621	465	444	452
Net investment income	23	20	8	3	7	9	8
Benefit payments, including refunds of member contributions	(455)	(426)	(473)	(471)	(465)	(444)	(452)
Net Change in Plan Fiduciary Net Position	230	95	153	185	7	9	8
Plan Fiduciary Net Position - Beginning	578	483	330	145	138	129	121
Plan Fiduciary Net Position - Ending (b)	808	578	483	330	145	138	129
Net OPEB Liability - Ending (a-b)	$ 10,458	$ 11,022	$ 12,239	$ 15,498	$ 22,140	$ 17,206	$ 17,475

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to the School District's financial statements for summary of significant actuarial methods and assumptions.

See independent auditors' report.

GATEWAY REGIONAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF NET OPEB LIABILITY, CONTRIBUTIONS, AND INVESTMENT RETURNS
(Dollars expressed in thousands)

Schedule of Net OPEB Liability	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability	$ 11,266	$ 11,600	$ 12,722	$ 15,828	$ 22,285	$ 17,344	$ 17,604
Plan fiduciary net position	(808)	(578)	(483)	(330)	(145)	(138)	(129)
Net OPEB liability	$ 10,458	$ 11,022	$ 12,239	$ 15,498	$ 22,140	$ 17,206	$ 17,475
Plan fiduciary net position as a percentage of the total OPEB liability	7.17%	4.98%	3.80%	2.08%	0.65%	0.80%	0.73%

Schedule of Contributions	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	$ 726,044	$ 711,627	$ 777,130	$ 817,213	$ 993,033	$ 973,471	$ 1,011,641
Contributions in relation to the actuarially determined contribution	(455,452)	(475,715)	(673,275)	(621,192)	(464,774)	(444,437)	(452,444)
Contribution deficiency (excess)	$ 270,592	$ 235,912	$ 103,855	$ 196,021	$ 528,259	$ 529,034	$ 559,197
Remaining amortization period	24 years	25 years	26 years	27 years	28 years	29 years	30 years
Covered employee payroll	$ 7,758,249	$ 7,569,023	$ 7,566,553	$ 7,382,003	$ 6,960,913	$ 6,791,135	$ 7,197,770
Contributions as a percentage of covered employee payroll	5.87%	6.29%	8.90%	8.41%	6.68%	6.54%	6.29%

Schedule of Investment Returns	2024	2023	2022	2021	2020	2019	2018
Annual money-weighted rate of return, net of investment expense	11.79%	8.72%	-14.29%	23.95%	5.63%	6.88%	6.69%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to the School District's financial statements for summary of significant actuarial methods and assumptions.

See independent auditors' report.

GATEWAY REGIONAL SCHOOL DISTRICT

OTHER INFORMATION
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
(Unaudited)

FOR THE YEAR ENDED JUNE 30, 2024

	Fund Balance Beginning of Year	Revenue: Charges for Services/ Other	Revenue: Federal	Revenue: State	Expenditures	Transfer (Out)	Fund Balance End of Year
Special Revenue Funds							
Title II	$ --	$ --	$ 35,055	$ --	$ 35,055	$ --	$ --
Title I	1,547	--	313,053	--	314,600	--	--
Sped IDEA B	33,676	--	206,776	--	240,452	--	--
STEM Internship Grant	(639)	--	20,077	--	19,438	--	--
Special Education Early Learning	--	--	13,186	--	13,186	--	--
ESSER II	33,582	--	34,234	--	67,816	--	--
ESSER III	525	--	390,907	--	381,766	--	9,666
SOA Evidence-Based Practice Grant	--	--	--	200,000	200,000	--	--
Safe and Supportive Schools	--	--	--	10,000	10,000	--	--
Mass Cultural Council	2,940	--	--	1,100	2,107	--	1,933
Rural School Aid	--	--	--	832,654	832,654	--	--
Food Service Revolving	231,653	30,011	445,010	155,085	637,940	--	223,819
Wrap Around Revolving	197,240	51,620	--	--	56,329	--	192,531
Athletic Revolving	39,121	70	--	--	18,062	--	21,129
Building Use Revolving	25,073	2,849	--	--	16,496	--	11,426
Regional Transportation Revolving	350,774	--	--	343,035	--	(350,774)	343,035
Tuition Revolving	105,929	325,676	--	--	133,585	--	298,020
District Donation Revolving	2,785	1,000	--	--	1,795	--	1,990
Circuit Breaker Revolving	329,536	--	--	518,109	383,447	--	464,198
Wellness Center Revolving	226	--	--	--	--	--	226
Technology Revolving	4,249	2,843	--	--	4,156	--	2,936
High School Textbook Revolving	411	58	--	--	183	--	286
Lost Library Book Revolving	98	106	--	--	39	--	165
Insurance Revolving	55,747	60,576	--	--	67,011	--	49,312
Mass Cultural Council Revolving	875	--	--	6,100	6,975	--	--
Littleville Elementary Revolving	1,907	1,368	--	--	584	--	2,691

GATEWAY REGIONAL SCHOOL DISTRICT

OTHER INFORMATION
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
(Unaudited)
FOR THE YEAR ENDED JUNE 30, 2024

	Fund Balance Beginning of Year	Revenue: Charges for Services/ Other	Revenue: Federal	Revenue: State/Local	Expenditures	Transfer (Out)	Fund Balance End of Year
Chester Elementary Revolving	2,346	962	--	--	2,683	--	625
SEL and Mental Health Grant	--	--	53,550	--	53,550	--	--
Supporting SEL Behavior and Mental Health	--	--	--	14,374	14,374	--	--
Integrating Social and Emotional Learning	--	--	3,679	--	3,679	--	--
Workforce Grant	42,248	--	--	--	42,248	--	--
Summer Learning Grant	--	--	--	100,000	100,000	--	--
After School and Out of School	--	--	--	22,000	22,000	--	--
STEM AP Expansion	580	--	--	--	580	--	--
Targeted Assistance	984	--	--	--	984	--	--
MA Agriculture Grant	1,044	--	--	1,310	1,843	--	511
HQIM	2,600	--	61,007	--	63,607	--	--
DPH Grant	4,555	--	--	18,906	23,461	--	--
21st CCLC SALT Grant	38,489	--	69,056	--	107,545	--	--
DPH School Behavioral Health	--	--	--	83,125	83,125	--	--
21st CCLC	--	--	137,259	--	92,368	--	44,891
Title V - Part A	--	--	12,978	--	12,978	--	--
Teacher Diversification	--	--	--	32,102	32,102	--	--
Barr Foundation Grant	--	--	--	100,000	100,000	--	--
Westfield Bank Future Fund Program	--	--	--	6,100	6,100	--	--
Tides Grant	--	--	--	9,000	9,000	--	--
CPPI Expanded PK Grant	--	--	--	22,450	22,450	--	--
STEM Internship - Mass Hire	--	--	--	7,072	7,072	--	--
Innovation Career Pathways	--	--	--	22,000	22,000	--	--
Summer Asost	--	--	--	44,000	44,000	--	--
Mass Literacy Institute	--	5,270	--	--	5,270	--	--
Hate Crimes Prevention	--	--	--	43,477	43,477	--	--
	$ 1,510,101	$ 482,409	$ 1,795,827	$ 2,591,999	$ 4,360,172	$ (350,774)	$ 1,669,390

See independent auditors' report.