

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT

TABLE OF CONTENTS

I. INDEPENDENT AUDITOR'S REPORT, MANAGEMENT'S DISCUSSION AND ANALYSIS AND BASIC FINANCIAL STATEMENTS

Independent Auditor's Report

<u>Exhibit Number</u>		<u>Page</u>
1	Management's Discussion and Analysis (Required Supplementary Information) (MD&A)	1 - 17
2	Statement of Net Position	18
3	Statement of Activities and Changes in Net Position	19
4	Balance Sheet – Governmental Funds	20
5	Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	21
6	Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	22
7	Reconciliation of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	23
8	Statement of Fiduciary Net Position – Fiduciary Fund	24
9	Statement of Changes in Fiduciary Net Position - Fiduciary Fund	25
10	Notes to Financial Statements	26- 60

II. REQUIRED SUPPLEMENTARY INFORMATION

SS1	Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	61 – 62
SS2	Schedule of the District's Proportionate Share of the Net Pension Asset/(Liability)	63
SS3	Schedule of the District's Pension Contributions	64
SS4	Schedule of Changes in the District's Total Other Post-Employment Benefits Liability and Related Ratios	65

III. OTHER SUPPLEMENTARY INFORMATION

SS5	Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Limit	66
SS6	Schedule of Project Expenditures - Capital Projects Fund	67
SS7	Schedule of Net Investment in Capital Assets	68

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Cold Spring Harbor Central School District

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of District's proportionate share of the net pension asset/(liability), schedule of District's pension contributions, and schedule of changes in District's total other post-employment benefits liability and related ratios on pages 1 through 16 and 60 through 64, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

R.S. Abrams & Co., LLP

R.S. Abrams & Co., LLP
Islandia, New York
October 1, 2024

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The following is a discussion and analysis of Cold Spring Harbor Central School District’s (the “District”) financial performance for the fiscal year ended June 30, 2024. This section is a summary of the District’s financial activities based on currently known facts, decisions, or conditions. It is also based on both the District-Wide and Fund Financial Statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District’s financial statements, which immediately follow this section.

1. FINANCIAL HIGHLIGHTS

- The District’s total net deficit increased by \$4,892,182 or 12.48% to \$44,104,280 at June 30, 2024 due to expenses exceeding revenues on the accrual basis of accounting.
- Fund balance in the general fund decreased by \$8,182,941 or 24.87% from the prior year. This was due to an excess of expenditures and other financing uses over revenues and other financing sources based on the modified accrual basis of accounting.
- On May 21, 2024, the proposed 2024-25 budget in the amount of \$80,699,285 was authorized by the District’s residents. This is an increase of \$3,558,232, or 4.61%, over the previous year’s budget, which is primarily due to increases in general support, instruction and employee benefits.
- New York State Law limits the amount of assigned and unassigned fund balance, excluding encumbrances and amounts designated for the subsequent year’s budget, which can be retained by the general fund up to 4.00% of the ensuing year’s budget. At the end of the current fiscal year, the District was within the statutory limit.
- The District settled two Child Victims Act cases in August of 2023. The settlement amounts for the two cases totaled \$14,000,000. The District had taken the following steps in order to address the financial resources needed to pay these legal obligations. There are currently no additional known Child Victims Act cases pending for the District.
 - a. At June 30, 2023 the District’s general fund unassigned fund balance exceeded the legal limit set forth under NYS Real Property Tax Law 1318 by \$4,489,284. The District utilized this excess along with its liability reserve in the amount of \$10,716 for the first settlement payment amount of \$4,500,000, which was due on or before October 4, 2023.
 - b. The final settlement amount of \$9,500,000 was due on or before July 4, 2024. The District utilized the balance of the liability reserve in the amount of \$1,830,000 to make a partial payment on the amount due. The remainder of \$7,670,000 was financed by issuing debt in the form of a short-term bond. The short-term bond had a stated interest rate of 6.91% per annum and matured on June 15, 2024. The District received \$2,229 in premiums related to the issuance. Additionally, the voters approved the November 16, 2023 referendum, in accordance with NYS Education Law 3651, to liquidate their Capital Reserve IV (also known as 2020 Capital Reserve). The District utilized the liquidation proceeds to pay off the short-term debt.

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

2. OVERVIEW OF THE FINANCIAL STATEMENTS

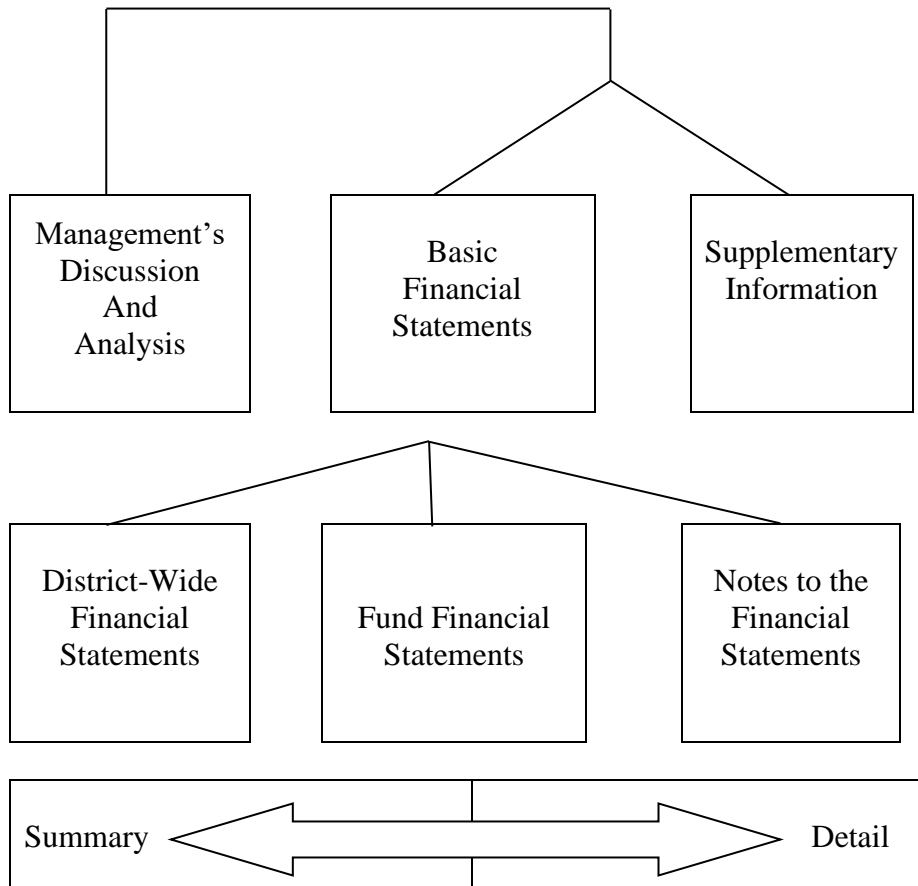
This annual report consists of four parts: management’s discussion and analysis (this section), the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-Wide Financial Statements* that provide both *short-term* and *long-term* information about the District’s *overall* financial status.
- The remaining statements are *Fund Financial Statements* that focus on *individual parts* of the District, reporting the operations in *more detail* than the District-Wide Statements.
 - The *Governmental Fund Statements* tell how basic services such as instruction and support functions were financed in the *short term* as well as what remains for future spending.
 - *Fiduciary Fund Statements* provide information about the financial relationships in which the District acts solely as a trustee or custodian for the benefit of others, including the employees of District.

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

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Organization of the District’s Annual Financial Report



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

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental	Fiduciary
Scope	Entire entity (except fiduciary fund)	The day-to-day operating activities of the District, such as special education and instruction	Instances in which the District administers resources on behalf of others
Required financial statements	<ul style="list-style-type: none"> Statement of Net Position 	<ul style="list-style-type: none"> Balance Sheet Statement of Revenues, 	<ul style="list-style-type: none"> Statement of Fiduciary Net Position

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	• Statement of Activities	Expenditures and Changes in Fund Balance	• Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources measurement focus	Modified accrual and current financial resources measurement focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets, intangible lease assets, or long-term liabilities included	All financial assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources (if any), short-term and long-term; these funds do not currently contain capital assets or intangible lease assets, although they can
Type of inflow and outflow information	All revenues and expenses during the year; regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

A. District-Wide Statements

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

The two District-Wide Financial Statements report the District's net position and how it has changed. Net position - the difference between the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources - is one way to measure the financial health or position of the District.

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

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

- For assessment of the overall health of the District, additional non-financial factors such as changes in the District's property tax base and the condition of buildings and other facilities should be considered.

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

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

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

B. Fund Financial Statements

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

The District has two kinds of funds:

Governmental funds: Most of the basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the programs of the District. Because this information does not encompass the additional long-term focus of the District-Wide Statements, additional schedules explain the relationship (or differences) between them. In

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

summary, the government fund statements focus primarily on the sources, uses, and balances of current financial resources and often has a budgetary orientation. Included are the general fund, special aid fund, school lunch fund, miscellaneous special revenue fund, debt service fund, and capital projects fund. Required statements are the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances.

Fiduciary fund: The District is the custodian or *fiduciary* for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-Wide Financial Statements because it cannot use these assets to finance its operations. Fiduciary fund reporting focuses on net position and changes in net position. This fund reports real property taxes collected on behalf of other governments and disbursed to those governments.

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A. Net Position

The District's total net deficit increased by \$4,892,182 in the fiscal year ended June 30, 2024 as detailed in the table that follows.

Condensed Statement of Net Position-Governmental Activities

	Fiscal Year 2024	Fiscal Year 2023	Increase (Decrease)	Total Percentage Change
Current assets	\$47,891,472	\$66,775,478	(\$18,884,006)	(28.28%)
Non-current assets	46,223,910	37,876,908	8,347,002	22.04%
Total Assets	94,115,382	104,652,386	(10,537,004)	(10.07%)
Deferred outflows of resources	26,500,255	35,329,953	(8,829,698)	(24.99%)
Total Assets and Deferred outflows of resources	120,615,637	139,982,339	(19,366,702)	(13.84%)
Current liabilities	6,641,789	7,257,307	(615,518)	(8.48%)
Long-term liabilities	122,841,017	123,108,867	(267,850)	(0.22%)
Total Liabilities	129,482,806	130,366,174	(883,368)	(0.68%)
Deferred inflows of resources	35,237,111	48,828,263	(13,591,152)	(27.83%)
Total Liabilities and Deferred inflows of resources	164,719,917	179,194,437	(14,474,520)	(8.08%)
Net Position				
Net investment in capital assets	27,887,943	27,556,029	331,914	1.20%
Restricted	21,324,754	24,581,945	(3,257,191)	(13.25%)
Unrestricted (deficit)	(93,316,977)	(91,350,072)	(1,966,905)	(2.15%)
Total Net Position (deficit)	(\$44,104,280)	(\$39,212,098)	(\$4,892,182)	(12.48%)

Current assets and other assets decreased by \$18,884,006, or 28.28%, primarily due to decreases in cash and cash equivalents, accounts receivable, and due from state and federal aid.

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Non-current assets (capital assets net of accumulated depreciation and intangible lease assets net of accumulated amortization) increased by \$8,347,002, or 22.04%, primarily due to current year additions exceeding current year depreciation and amortization expense.

Deferred outflows of resources decreased by \$8,829,698 as compared to the prior year. The change in deferred outflows represent amortization of the pension related items and the change in the District's contributions subsequent to the measurement date, as discussed in Note 11 and the amortization of deferred outflows related to the total other post-employment benefits obligation, as discussed in Note 13.

Current liabilities decreased by \$615,518, or 8.48%, from the prior year, primarily due to decreases in accounts payable, accrued liabilities, and due to teachers' retirement system, partially offset by increases in due to other governments, due to employees' retirement system, compensated absences payable, and collections in advance.

Long-term liabilities decreased by \$267,850 or 0.22%, from the prior year, primarily due to decreases in bonds payable, lease liability, compensated absences payable, and changes in the actuarial valuations for the net pension liabilities, partially offset by changes to total other post-employment benefits obligation, as actuarially determined.

Deferred inflows of resources decreased by \$13,591,152 as compared to the prior year. The change in deferred inflows represents amortization of pension related items, as discussed in Note 11, and the amortization of deferred inflows related to the total other post-employment benefits obligation, as discussed in Note 13.

The net investment in capital assets relates to the investment in capital assets and intangible lease assets at cost (and at the present value of future lease payments remaining on the lease term for intangible lease assets) such as land, construction in progress, buildings and building improvements, and furniture and equipment, net of accumulated depreciation, accumulated amortization, and related debt. This amount increased from the prior year by \$331,914, or 1.20%, which is due to the current year capital asset additions, capital outlay, and principal payments made on bonds and intangible lease assets, partially offset by current year's depreciation and amortization.

The restricted net position balance in the amount of \$21,324,754 relates to the District's reserves: employee benefits accrued liability, retirement contribution, capital, workers' compensation, unemployment, and amounts restricted for debt service and scholarships and donations. The restricted amount decreased by \$3,257,191, or 13.25%.

The unrestricted net deficit at June 30, 2024 of \$93,316,977 relates to the balance of the District's net position. The unrestricted net deficit increased by \$1,966,905 or 2.15%.

B. Changes in Net Position

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

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Changes in Net Position from Operating Results – Governmental Activities Only

	2024	2023	Increase (Decrease)	Percentage Change
Program Revenues				
Charges for services	\$ 1,937,581	\$ 1,880,604	\$ 56,977	3.03%
Operating grants and contributions	1,115,570	1,788,077	(672,507)	(37.61%)
General Revenues				
Real property taxes and other tax items	69,619,731	67,635,520	1,984,211	2.93%
Use of money and property	3,115,507	1,670,887	1,444,620	86.46%
Miscellaneous	468,719	609,012	(140,293)	(23.04%)
State sources	4,689,792	4,336,856	352,936	8.14%
Federal sources	4,233	5,160	(927)	(17.97%)
Total Revenues	80,951,133	77,926,116	3,025,017	3.88%
Expenses				
General support	26,605,286	12,670,973	13,934,313	109.97%
Instruction	50,107,875	47,762,173	2,345,702	4.91%
Pupil transportation	6,523,641	5,978,725	544,916	9.11%
Food service program	1,552,469	1,022,872	529,597	51.78%
Debt service - interest	1,054,044	944,377	109,667	11.61%
Total Expenses	85,843,315	68,379,120	17,464,195	25.54%
Total Change in Net Position	\$ (4,892,182)	\$ 9,546,996	\$ (14,439,178)	(151.24%)

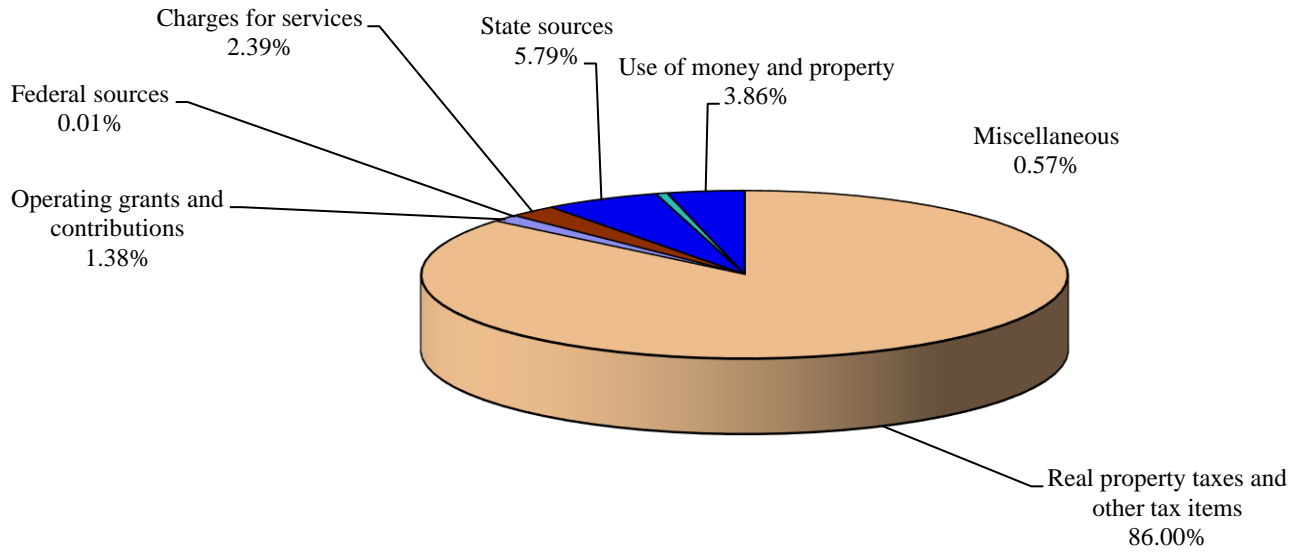
The District's total fiscal year 2024 revenues totaled \$80,951,133. Real property taxes and other tax items coupled with state sources accounted for most of the District's revenue by contributing 86.00% and 5.79%, respectively, of total revenues. The remainder represents charges for services, operating grants and contributions, use of money and property, federal sources, and other miscellaneous sources.

Charges for services increased by \$56,977 or 3.03%, which is primarily attributable to increases in school lunch meal sales. Operating grants and contributions decreased by \$672,507, or 37.61%, which is primarily attributable to decreases in funds received for state and federal grants.

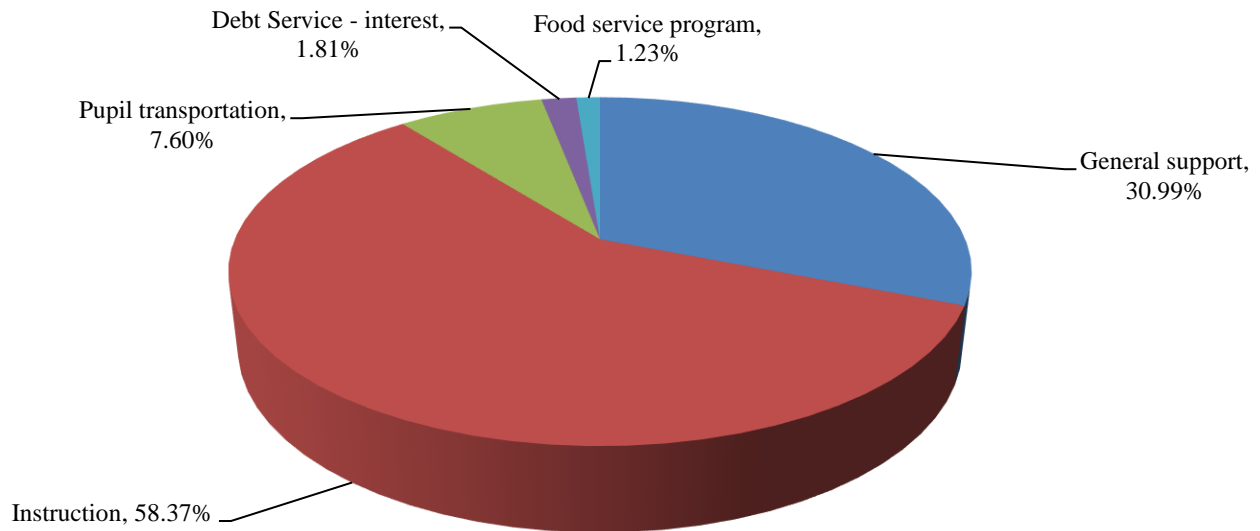
The total cost of all programs and services totaled \$85,843,315 for fiscal year 2024. These expenses are predominantly related to general support and instruction, which account for 30.99% and 58.37%, respectively, of total district expenses.

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Revenues for Fiscal Year 2024



Expenses for Fiscal Year 2024



**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

As of June 30, 2024, the District's combined governmental funds reported a total fund balance of \$41,283,481. See the Table on the following page for more information.

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

A summary of the change in fund balance for all the funds is as follows:

	Fiscal Year 2024	Fiscal Year 2023	Increase (Decrease)	Percentage Change
General Fund				
Restricted for employee benefits accrued liability	\$ 4,196,752	\$ 3,663,757	\$ 532,995	14.55%
Restricted for retirement contribution - ERS	3,335,519	2,832,691	502,828	17.75%
Restricted for retirement contribution - TRS	2,291,622	1,825,363	466,259	25.54%
Restricted for capital	8,670,518	12,656,997	(3,986,479)	(31.50%)
Restricted for liability	-	1,840,717	(1,840,717)	(100.00%)
Restricted for workers' compensation	999,398	702,824	296,574	42.20%
Restricted for unemployment insurance	286,183	276,158	10,025	3.63%
Assigned-designated for subsequent year's expenditures	1,200,000	750,000	450,000	60.00%
Assigned - unappropriated	506,174	773,645	(267,471)	(34.57%)
Unassigned	3,227,971	7,574,926	(4,346,955)	(57.39%)
Total fund balance - general fund	<u>24,714,137</u>	<u>32,897,078</u>	<u>(8,182,941)</u>	(24.87%)
School Lunch Fund				
Nonspendable - inventory	15,013	11,803	3,210	27.20%
Assigned	<u>199,491</u>	<u>204,701</u>	<u>(5,210)</u>	(2.55%)
Total fund balance- school lunch fund	<u>214,504</u>	<u>216,504</u>	<u>(2,000)</u>	(0.92%)
Miscellaneous Special Revenue Fund				
Restricted for scholarships and donations	20,728	20,786	(58)	(0.28%)
Assigned	<u>215,711</u>	<u>211,774</u>	<u>3,937</u>	1.86%
Total fund balance- miscellaneous special revenue fund	<u>236,439</u>	<u>232,560</u>	<u>3,879</u>	1.67%
Debt Service Fund				
Restricted for debt service	<u>1,407,986</u>	<u>644,885</u>	<u>763,101</u>	118.33%
Capital Projects Fund				
Restricted for capital	116,048	117,767	(1,719)	(1.46%)
Restricted for capital-unspent bond proceeds	9,078,630	18,435,102	(9,356,472)	(50.75%)
Assigned	<u>5,515,737</u>	<u>7,013,170</u>	<u>(1,497,433)</u>	(21.35%)
Total fund balance - capital projects fund	<u>14,710,415</u>	<u>25,566,039</u>	<u>(10,855,624)</u>	(42.46%)
Total fund balance - all funds	<u>\$ 41,283,481</u>	<u>\$ 59,557,066</u>	<u>\$ (18,273,585)</u>	(30.68%)

A. General Fund

A summary of changes in revenues, other financing sources, expenditures, and other financing uses for the general fund for the fiscal years ended June 30, 2024 and 2023 is as follows:

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Fiscal Year 2024	Fiscal Year 2023	Increase/ (Decrease)	Total Percentage Change
Revenues				
Real property taxes	\$ 69,091,599	\$ 67,005,112	\$ 2,086,487	3.11%
Other tax items - including STAR	528,132	630,408	(102,276)	(16.22%)
Charges for services	459,380	445,322	14,058	3.16%
Use of money and property	2,231,032	1,665,779	565,253	33.93%
Sale of property and compensation for loss	4,351	8,246	(3,895)	(47.24%)
Miscellaneous	355,851	593,163	(237,312)	(40.01%)
State sources	4,689,792	4,336,856	352,936	8.14%
Federal sources	4,233	5,160	(927)	(17.97%)
Total Revenues	<u>\$ 77,364,370</u>	<u>\$ 74,690,046</u>	<u>\$ 2,674,324</u>	3.58%
Other Financing Sources				
Operating transfers in	\$ 648,325	\$ 344,317	304,008	88.29%
Premium on obligations	101,994	122,664	(20,670)	(16.85%)
Total Other Financing Sources	<u>\$ 750,319</u>	<u>\$ 466,981</u>	<u>\$ 283,338</u>	60.67%
Expenditures				
General support	24,343,452	10,459,745	13,883,707	132.73%
Instruction	35,809,770	34,711,360	1,098,410	3.16%
Pupil transportation	4,816,102	4,520,750	295,352	6.53%
Employee benefits	16,855,202	15,596,807	1,258,395	8.07%
Debt service - principal	2,285,122	1,748,183	536,939	30.71%
Debt service - interest	1,576,519	1,021,741	554,778	54.30%
Total Expenditures	<u>\$ 85,686,167</u>	<u>\$ 68,058,586</u>	<u>\$ 17,627,581</u>	25.90%
Other Financing Uses				
Operating transfers out	611,463	2,279,179	(1,667,716)	(73.17%)
Total Other Financing Uses	<u>\$ 611,463</u>	<u>\$ 2,279,179</u>	<u>\$ (1,667,716)</u>	(73.17%)
Net Change in Fund Balances	<u>\$ (8,182,941)</u>	<u>\$ 4,819,262</u>	<u>\$ (13,002,203)</u>	(269.80%)

The net change in fund balance from the prior year in the general fund is a decrease of \$8,182,941 as a result of the changes noted above.

Revenues and other financing sources increased as compared to prior year primarily due to the following:

- Real property taxes increased due to an increase in the tax levy in accordance with the voter approved budget.
- Use of money and property increased due to an increase in interest rates.
- States sources increased due to increases in general aid, lottery aid, and BOCES aid.

Expenditures and other financing uses increased as compared to prior year primarily due to the following:

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

- General support increased primarily due to the current year's CVA settlement claims that were paid out in the amount of \$14,000,000.
- Instruction increased primarily to salary increases and increases in special education and pupil service expenditures.
- Employee benefits increased due to overall increases in insurance premiums.

The following is a summary of the general fund's restricted fund balance activity for the fiscal year ended June 30, 2024:

	Beginning Balance	Funding	Interest	Use	Ending Balance
Employee benefit accrued liability reserve	\$ 3,663,757	\$ 400,000	\$ 132,995		\$ 4,196,752
Retirement contribution					
Employees' retirement system	2,832,691	400,000	102,828	-	3,335,519
Teachers' retirement system	1,825,363	400,000	66,259		2,291,622
Capital	12,656,997	3,500,000	181,115	(7,667,594)	8,670,518
Liability	1,840,717			(1,840,717)	-
Workers compensation	702,824	271,061	25,513		999,398
Unemployment	276,158		10,025		286,183
Total Restricted Fund Balance	<u>\$ 23,798,507</u>	<u>\$ 4,971,061</u>	<u>\$ 518,735</u>	<u>\$ (9,508,311)</u>	<u>\$ 19,779,992</u>

B. School Lunch Fund

The net change in fund balance in the school lunch fund is a decrease of \$2,000 due to current year food service costs and employee benefits exceeding revenues.

C. Miscellaneous Special Revenue Fund

The net change in fund balance in the miscellaneous special revenue fund is an increase of \$3,879, due to revenues exceeding expenditures in extraclassroom activities, partially offset by scholarships awarded exceeding donations and interest earned.

D. Debt Service Fund

The net change in fund balance in the debt service fund is an increase of \$763,101 as a result of interest earnings and other financing sources exceeding other financing uses.

E. Capital Projects Fund

The net change in fund balance in the capital projects fund is a decrease of \$10,855,624. This decrease is due to capital outlay of \$11,286,564 exceeding other financing sources of \$430,940.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2023-2024 Budget:

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The District’s general fund adopted budget for the year ended June 30, 2024 was \$77,141,053. This amount was increased by encumbrances carried forward from the prior year in the amount of \$773,645, voter approved appropriation of the liability reserve fund of \$1,840,717, \$4,489,284 of unassigned fund balance, \$7,667,594 of the 2020 capital reserve and donations received of \$73,696, which resulted in a final budget of \$91,985,989. The majority of the budgeted funding was through real property taxes and other tax items.

B. Change in the General Fund Unassigned Fund Balance (Budget to Actual):

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

Opening, unassigned fund balance	\$ 7,574,926
Revenues and other financing sources over budget	2,729,940
Expenditures, other financing uses, and encumbrances under budget	5,182,185
Use of unassigned fund balance for CVA claims	(4,489,284)
Interest allocated to reserves	(518,735)
Transfer to reserves	(4,971,061)
Assigned- appropriated for June 30, 2025 budget	(1,200,000)
Unused appropriated reserves from June 30, 2024 budget	(1,080,000)
Closing, unassigned fund balance	<u>\$ 3,227,971</u>

The opening unassigned fund balance of \$7,574,926 is the June 30, 2023 unassigned fund balance.

The revenues and other financing sources over budget of \$2,729,940 are primarily due to favorable variances in use of money and property and other financing sources. Refer to Supplemental Schedule #1 for more details.

The expenditures, other financing uses, and encumbrances under budget of \$5,182,185 represent savings across the budget, including \$962,266 in general support, \$3,295,101 in instruction, \$223,146 in pupil transportation, \$1,000 in community services, \$696,784 in employee benefits, and \$3,888 in other financing uses. Refer to Supplemental Schedule #1 for more details.

Interest of \$518,735 was also allocated to the reserves as follows: \$132,995 to the employee benefit accrued liability reserve, \$102,828 to the retirement reserve for the employees’ retirement system, \$66,259 to the retirement reserve for the teachers’ retirement system, \$181,115 to the capital reserves, \$25,513 to the workers’ compensation reserve, and \$10,025 to the unemployment reserve.

At June 30, 2023 the District’s general fund unassigned fund balance exceeded the legal limit set forth under NYS Real Property Tax Law 1318 by \$4,489,284. The District utilized this excess for the first CVA claim settlement payment which was due on or before October 4, 2023.

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The District transferred \$4,971,061 to the reserves as follows: \$400,000 to the employee benefit accrued liability reserve, \$400,000 to the retirement reserve for the employees' retirement system, \$400,000 to the retirement reserve for the teachers' retirement system, \$3,500,000 to the capital reserves, and \$271,061 to the workers' compensation reserve.

The assigned appropriated fund balance of \$1,200,000 for the June 30, 2025, budget is the amount the District has chosen to use to fund its operating budget for 2024-2025.

In the 2023-2024 budget, \$1,080,000 of reserves were appropriated to reduce the tax levy. Due to lower than anticipated expenditures, this amount was not utilized. As such, this amount was returned to the reserves for future use.

The District closed the 2023-2024 fiscal year with \$3,227,971 in unassigned fund balance. NYS Real Property Tax Law §1318 restricts this number to an amount not greater than 4% of the District's budget for the ensuing fiscal year. The District's unassigned fund balance is within the legal limit.

6. CAPITAL ASSETS, INTANGIBLE LEASE ASSETS, AND DEBT ADMINISTRATION

A. Capital Assets and Intangible Lease Assets

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

Capital Assets and Intangible Lease Assets (Net of Accumulated Depreciation and Amortization)

Category	Fiscal Year 2024	Fiscal Year 2023	Increase (Decrease)	Percentage Change
Land	\$ 125,075	\$ 125,075	\$ -	0.00%
Construction in progress	23,809,939	12,954,315	10,855,624	83.80%
Buildings and building improvement	76,337,411	76,330,896	6,515	0.01%
Furniture and equipment	3,604,303	3,546,797	57,506	1.62%
Subtotal	103,876,728	92,957,083	10,919,645	11.75%
Less: accumulated depreciation	58,392,051	55,849,512	2,542,539	4.55%
Capital Assets, Net	<u>\$ 45,484,677</u>	<u>\$ 37,107,571</u>	<u>\$ 8,377,106</u>	22.58%
Intangible Lease Assets, Net	<u>\$ 739,233</u>	<u>\$ 769,337</u>	<u>\$ (30,104)</u>	(3.91%)

Depreciation expense and loss on disposals were \$3,030,497 and amortization expense was \$461,044 for fiscal year ended June 30, 2024. See Note 7 to the financial statements for additional detail.

B. Long-Term Debt

At June 30, 2024, the District had total long-term debt payable, including bonds payable (inclusive of unamortized premiums) and lease liability of \$26,882,846. The decrease in long-term debt

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

represents, principal payments made partially offset by additions to lease liability as a result of the District's current year lease issuance. More detailed information about the District's long-term debt is presented in Note 10 to the financial statements.

A summary of outstanding debt at June 30, 2024 and 2023 is as follows:

	2024	2023	Increase (Decrease)
Serial bonds payable (inclusive of unamortized premium)	\$ 26,128,196	\$ 27,972,149	\$ (1,843,953)
Lease liability	754,650	783,832	(29,182)
Total	<u>\$ 26,882,846</u>	<u>\$ 28,755,981</u>	<u>\$ (1,873,135)</u>

7. FACTORS BEARING ON THE DISTRICT'S FUTURE

- A.** The general fund budget for the 2024-2025 school year in the amount of \$80,699,285 was approved by voters. This is an increase of \$3,558,232, or 4.61%, over the previous year's budget. The tax cap discussed below, as well as uncertainty in state aid and federal funds, may impact the District's future budgets.
- B.** Future budgets may be negatively affected by certain trends impacting school districts. These factors include the following:
1. Rising costs in employee salaries and health benefits, as well as contributions to pension programs.
 2. Increased costs associated with meeting the requirements for instructional services.
 3. Uncertainty with state and federal aid, including new state mandates that may bring changes to state aid formulas that could negatively impact school districts.
 4. Rising inflation as well as interest rates, which can affect all areas of the budget.
 5. The property tax cap as discussed below.
- C.** New York State law limits the increase in property taxes levied to the lesser of two percent, or the rate of inflation. The law does allow school districts to levy an additional amount for certain excludable expenditures. An override of the levy limit is also permitted. If the proposed tax levy is within the District's tax levy cap, then the budget's approval requires a simple majority vote. If the proposed tax levy exceeds the District's tax levy cap, the threshold required for approval would be 60 percent of the vote.
- D.** The District settled two Child Victims Act cases in August of 2023. The settlement amounts for the two cases total \$14,000,000. In coverage actions, the District is suing a group of four insurance companies for breach of contract and declaratory judgment due to the insurance companies purported disclaimer of coverage for the Child Victims Act cases.

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

8. CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, and investors and creditors with a general overview of the finances of the District and to demonstrate our accountability with the money we receive. If you have any questions about this report or need additional financial information, contact:

Cold Spring Harbor Central School District
District Offices
Attn: Christine Costa, CPA, CGMA
Assistant Superintendent for Business
75 Goose Hill Road
Cold Spring Harbor, New York 11724
(631) 367-5900

COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

ASSETS	
Current assets	
Cash and cash equivalents	
Unrestricted	\$ 15,342,351
Restricted	29,800,473
Receivables	
Taxes receivable	520,547
Accounts receivable	24,577
State and federal aid	2,188,511
Inventory	15,013
Non-current assets	
Capital assets	
Not being depreciated	23,935,014
Being depreciated, net of accumulated depreciation	21,549,663
Intangible lease asset, net of accumulated amortization	739,233
TOTAL ASSETS	94,115,382
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	14,444,576
Other post-employment benefits	12,055,679
TOTAL DEFERRED OUTFLOWS OF RESOURCES	26,500,255
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	120,615,637
LIABILITIES	
Payables	
Accounts payable	1,999,205
Accrued liabilities	493,139
Accrued interest payable	33,798
Due to other governments	147,458
Due to employees' retirement system	229,136
Due to teachers' retirement system	3,017,366
Compensated absences	631,033
Unearned credits	
Collections in advance	90,654
Long-term liabilities	
Due and payable within one year	
Bonds payable (inclusive of unamortized premium)	1,808,953
Lease liability	354,593
Compensated absences payable	360,667
Workers' compensation claims payable	248,569
Total other post-employment benefits obligation	2,752,201
Due and payable after one year	
Bonds payable (inclusive of unamortized premium)	24,319,243
Lease liability	400,057
Compensated absences payable	4,890,899
Workers' compensation claims payable	1,616,476
Net pension liability - proportionate share - employees' retirement system	2,331,357
Net pension liability - proportionate share - teachers' retirement system	1,743,925
Total other post-employment benefits obligation	82,014,077
TOTAL LIABILITIES	129,482,806
DEFERRED INFLOWS OF RESOURCES	
Pensions	2,042,660
Other post-employment benefits	33,194,451
TOTAL DEFERRED INFLOWS OF RESOURCES	35,237,111
NET POSITION	
Net investment in capital assets	27,887,943
Restricted	
Employee benefits accrued liability	4,196,752
Retirement contribution	5,627,141
Capital	8,786,566
Workers' compensation	999,398
Unemployment	286,183
Debt service	1,407,986
Scholarships and donations	20,728
	21,324,754
Unrestricted (deficit)	(93,316,977)
TOTAL NET POSITION (DEFICIT)	\$ (44,104,280)

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
FUNCTIONS / PROGRAMS	Expenses			
General support	\$ (26,605,286)			\$ (26,605,286)
Instruction	(50,107,875)	\$ 960,808	\$ 1,015,682	(48,131,385)
Pupil transportation	(6,523,641)			(6,523,641)
Debt service - interest	(1,552,469)			(1,552,469)
Food service program	(1,054,044)	976,773	99,888	22,617
TOTAL FUNCTIONS AND PROGRAMS	<u>\$ (85,843,315)</u>	<u>\$ 1,937,581</u>	<u>\$ 1,115,570</u>	<u>(82,790,164)</u>
GENERAL REVENUES				
Real property taxes				69,091,599
Other tax items - including STAR reimbursement				528,132
Use of money and property				3,115,507
Miscellaneous				468,719
State sources				4,689,792
Federal sources				4,233
TOTAL GENERAL REVENUES				<u>77,897,982</u>
CHANGE IN NET POSITION				(4,892,182)
TOTAL NET POSITION (DEFICIT) - BEGINNING OF YEAR				<u>(39,212,098)</u>
TOTAL NET POSITION (DEFICIT) - END OF YEAR				<u>\$ (44,104,280)</u>

COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Debt Service Fund	Capital Projects	Total Governmental Funds
ASSETS							
Cash and cash equivalents							
Unrestricted	\$ 8,714,930	\$ 7,507	\$ 285,306	\$ 219,561	\$ -	\$ 6,115,047	\$ 15,342,351
Restricted	19,779,992			20,728	805,075	9,194,678	29,800,473
Receivables							
Taxes receivable	520,547						520,547
Accounts receivable	22,521		2,056				24,577
State and federal aid	1,583,490	601,169	3,852				2,188,511
Due from other funds	563,547		1,566		602,911		1,168,024
Inventory			15,013				15,013
TOTAL ASSETS	\$ 31,185,027	\$ 608,676	\$ 307,793	\$ 240,289	\$ 1,407,986	\$ 15,309,725	\$ 49,059,496
LIABILITIES AND FUND BALANCES							
Payables							
Accounts payable	\$ 1,424,215	\$ 35,208	\$ 4,181	\$ 3,850	\$ -	\$ 531,751	\$ 1,999,205
Accrued liabilities	454,872	9,921	28,346				493,139
Due to other governments	147,350		108				147,458
Due to other funds	536,918	563,547				67,559	1,168,024
Due to employees' retirement system	229,136						229,136
Due to teachers' retirement system	3,017,366						3,017,366
Compensated absences	631,033						631,033
Unearned credits							
Collections in advance	30,000		60,654				90,654
TOTAL LIABILITIES	6,470,890	608,676	93,289	3,850.00	-	599,310	7,776,015
FUND BALANCE							
Nonspendable			15,013				15,013
Restricted:							
Employee benefits accrued liability	4,196,752						4,196,752
Retirement contribution - employees' retirement system	3,335,519						3,335,519
Retirement contribution - teachers' retirement system	2,291,622						2,291,622
Capital	8,670,518					116,048	8,786,566
Workers' compensation	999,398						999,398
Unemployment	286,183						286,183
Unspent bond proceeds						9,078,630	9,078,630
Debt service					1,407,986		1,407,986
Scholarships and donations				20,728			20,728
Assigned:							
Appropriated fund balance	1,200,000						1,200,000
Unappropriated fund balance	506,174		199,491	215,711		5,515,737	6,437,113
Unassigned	3,227,971						3,227,971
TOTAL FUND BALANCES	24,714,137	-	214,504	236,439	1,407,986	14,710,415	41,283,481
TOTAL LIABILITIES AND FUND BALANCES	\$ 31,185,027	\$ 608,676	\$ 307,793	\$ 240,289	\$ 1,407,986	\$ 15,309,725	\$ 49,059,496

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
JUNE 30, 2024**

Total Governmental Fund Balances \$ 41,283,481

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

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

Original cost of capital assets	\$ 103,876,728	
Accumulated depreciation	<u>(58,392,051)</u>	45,484,677

The present value cost of leasing intangible assets financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the balance sheet. However, the Statement of Net Position includes those intangible lease assets among the assets of the District as a whole, and their original present value costs are amortized (expensed) annually over the shorter of their useful lives or the length of the lease agreements.

Original present value cost of intangible lease assets	\$ 1,514,883	
Accumulated amortization	<u>(775,650)</u>	739,233

Deferred outflows of resources - The Statement of Net Position recognizes expenditures incurred under the full accrual method. Governmental funds recognize expenditures under the modified accrual method. Deferred outflows that will be recognized as expenditures in future periods amounted to:

Deferred outflows of resources related to pensions	\$ 14,444,576	
Deferred outflows of resources related to other post-employment benefits	<u>12,055,679</u>	26,500,255

Deferred inflows of resources- The Statement of Net Position recognized revenues and expenditures under the full accrual method. Governmental funds recognize revenues and expenditures under the modified accrual method. These amounts will be amortized in future years.

Deferred inflows of resources related to pensions	\$ (2,042,660)	
Deferred inflows of resources related to other post-employment benefits	<u>(33,194,451)</u>	(35,237,111)

Payables that are not due and payable in the current period are not reported as liabilities in the funds. Additional payables relating to long-term liabilities at year-end consisted of:

Accrued interest payable	\$ (33,798)	(33,798)
--------------------------	-------------	----------

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

Bonds payable (inclusive of unamortized premiums)	\$ (26,128,196)	
Lease liability	(754,650)	
Compensated absences payable	(5,251,566)	
Workers' compensation claims payable	(1,865,045)	
Net pension liability - proportionate share		
Employees' retirement system	(2,331,357)	
Teachers' retirement system	(1,743,925)	
Total other post-employment benefits obligation	<u>(84,766,278)</u>	<u>(122,841,017)</u>

Total Net Position (Deficit)	<u>\$ (44,104,280)</u>
------------------------------	------------------------

COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Debt Service Fund	Capital Projects	Total Governmental Funds
REVENUES							
Real property taxes	\$ 69,091,599	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,091,599
Other tax items - including STAR reimbursement	528,132						528,132
Charges for services	459,380			501,428			960,808
Use of money and property	2,231,032		6,375	2,026	876,074		3,115,507
Sale of property and compensation for loss	4,351						4,351
Miscellaneous	355,851		6,523	1,400			363,774
State sources	4,689,792	181,953	4,653				4,876,398
Federal sources	4,233	832,329	70,512				907,074
Surplus food			24,723				24,723
Sales			976,773				976,773
TOTAL REVENUES	77,364,370	1,014,282	1,089,559	504,854	876,074	-	80,849,139
EXPENDITURES							
General support	24,343,452						24,343,452
Instruction	35,809,770	1,058,970		500,975			37,369,715
Pupil transportation	4,816,102	31,423					4,847,525
Employee benefits	16,855,202		37,515				16,892,717
Debt service principal	2,285,122						2,285,122
Debt service interest	1,576,519						1,576,519
Cost of sales			1,054,044				1,054,044
Capital outlay						11,286,564	11,286,564
TOTAL EXPENDITURES	85,686,167	1,090,393	1,091,559	500,975	-	11,286,564	99,655,658
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,321,797)	(76,111)	(2,000)	3,879	876,074	(11,286,564)	(18,806,519)
OTHER FINANCING SOURCES AND (USES)							
Operating transfers in	648,325	76,111			535,352		1,259,788
Operating transfers (out)	(611,463)				(648,325)		(1,259,788)
Premium on obligations	101,994						101,994
Leases						430,940	430,940
TOTAL OTHER FINANCING SOURCES AND (USES)	138,856	76,111	-	-	(112,973)	430,940	532,934
NET CHANGE IN FUND BALANCES	(8,182,941)	-	(2,000)	3,879	763,101	(10,855,624)	(18,273,585)
FUND BALANCES - BEGINNING OF YEAR	32,897,078	-	216,504	232,560	644,885	25,566,039	59,557,066
FUND BALANCES - END OF YEAR	\$ 24,714,137	\$ -	\$ 214,504	\$ 236,439	\$ 1,407,986	\$ 14,710,415	\$ 41,283,481

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

Net Change in Fund Balances (all Funds) \$ (18,273,585)

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

Long-Term Revenue and Expense Differences

In the Statement of Activities, compensated absences are measured by the amounts earned or incurred during the year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used. Compensated absences payable for the year ended June 30, 2024 changed by 70,018

Workers' compensation claims payable in the Statement of Activities differs from the amounts reported in the governmental funds because the expense is recorded as an expenditure in the funds when it is due. In the Statement of Activities, the payable is recognized as it accrues regardless of when it is due. Workers' compensation claims payable for the year ended June 30, 2024 changed by 15,101

Changes in the proportionate share of net pension asset/liability and total other post-employment benefits obligation and related deferred inflows and outflows reported in the Statement of Activities do not provide for or require use of current financial resources and therefore are not reported as revenues and expenditures in the governmental funds.

Employees' retirement system	\$ (429,739)	
Teachers' retirement system	(2,355,550)	
Other post-employment benefits obligation	<u>5,856,339</u>	3,071,050

Capital Related Differences

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

Capital outlays	\$ 11,407,603	
Depreciation expense and loss on disposals	<u>(3,030,497)</u>	8,377,106

Capital outlays to lease capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are capitalized and shown in the Statement of Net Position and allocated over their useful lives as annual amortization expense in the Statement of Activities.

Intangible lease capital outlays	\$ 430,940	
Amortization expense	<u>(461,044)</u>	(30,104)

Long-Term Debt Transaction Differences

Proceeds from leases are recorded as revenue in the governmental funds but not in the Statement of Activities. (430,940)

Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. 1,825,000

Repayment of lease liability principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. 460,122

Governmental funds may report premiums, discounts, and similar items on refunded bonds as revenues or expenditures. These amounts are deferred and amortized in the Statement of Activities. Amortization on premiums for the fiscal year ended June 30, 2024 was 18,953

Interest on long-term debt in the Statement of Activities differs from the amounts reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and this requires the use of current financial resources. In the Statement of Activities, interest expense is recognized as the interest accrues regardless of when it is due. Accrued interest from June 30, 2023 to June 30, 2024 changed by 5,097

Change in Net Position \$ (4,892,182)

COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2024

	<u>Custodial</u>
ASSETS	
Cash and cash equivalents- restricted	\$ -
Prepaid expense	-
TOTAL ASSETS	<u>\$ -</u>
LIABILITIES	
Due to governmental funds	\$ -
TOTAL LIABILITIES	<u>-</u>
NET POSITION	
Restricted	-
TOTAL NET POSITION	<u>-</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ -</u>

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

	<u>Custodial</u>
ADDITIONS	
Cold Spring Harbor Library- real property taxes collections	\$ 3,074,500
TOTAL ADDITIONS	<u>3,074,500</u>
DEDUCTIONS	
Cold Spring Harbor Library - real property taxes disbursed	<u>3,074,500</u>
TOTAL DEDUCTIONS	<u>3,074,500</u>
CHANGE IN NET POSITION	-
NET POSITION - BEGINNING OF YEAR	<u>-</u>
NET POSITION - END OF YEAR	<u><u>\$ -</u></u>

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of Cold Spring Harbor Central School District (the “District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Certain significant accounting principles and policies utilized by the District are described below:

A) Reporting entity:

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education (the “Board”) consisting of 7 members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the District is based upon criteria set forth by GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District and other organizational entities determined to be includable in the District’s financial reporting entity. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District’s reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, there are no other entities that would be included in the District’s financial statements.

B) Joint venture:

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

BOCES is organized under §1950 of the New York State Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

C) Basis of presentation:

District-Wide Financial Statements:

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

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

Fund Financial Statements:

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

The District reports the following major governmental funds:

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

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

School Lunch Fund: This fund is used to account for the activities of the District's food service operations. The school lunch operations are supported by federal and state grants and charges to participants for its services.

Miscellaneous Special Revenue Fund: This fund is used to account for assets held by the District in accordance with grantor or donor stipulations. Other activities included in this fund are extraclassroom activities and other miscellaneous special revenues.

Debt Service Fund: This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities.

Capital projects fund: This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

The District reports the following fiduciary fund:

Fiduciary Fund: This fund is used to account for fiduciary activities. Fiduciary activities are those in which the District acts as trustee or custodian for resources that belong to others. These activities are not included in the District-Wide Financial Statements because their resources do not belong to the District and are not available to be used. The District's fiduciary fund includes the custodial fund. This fund is custodial in nature and is used to account for real property taxes collected on behalf of other governments and disbursed to other governments and utilizes the economic resources measurement focus and the accrual basis of accounting.

D) Measurement focus and basis of accounting:

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

The District-Wide Financial Statements and Fiduciary Fund Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly, receiving or giving equal value in exchange, include property taxes, grants and donations.

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

The Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within six months after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year.

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

E) Real property taxes:

Real property taxes for the Town of Oyster Bay residents are levied annually by the Board of Education during the month of September and become a lien on October 1st and April 1st. This portion of the District's tax levy is collected by the Town of Oyster Bay and remitted to the District. Uncollected real property taxes have been enforced by the County in which the District is located. Nassau County has paid an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than the following April 1st.

Real property taxes for the Town of Huntington residents are levied annually by the Board of Education no later than November 1st and become a lien on December 1st. This portion of the District's tax levy is collected by the Town of Huntington along with the respective Town and Suffolk County levies. These tax collections are remitted to the District and Town Comptroller until their respective taxes are satisfied in accordance with the Suffolk County Tax Act. All subsequent tax collections, through June 30th, are remitted by the Town to Suffolk County which in turn is responsible for any uncollected taxes.

F) Restricted resources:

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

G) Interfund transactions:

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

resources between funds for the purpose of providing cash flows. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenues to provide financing or other services.

In the District-Wide Financial Statements, eliminations have been made for all interfund receivables and payables between the funds.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the District's practice to settle these amounts at a net balance based upon the right of legal offset.

Refer to Note 8 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

H) Estimates:

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

I) Cash and cash equivalents:

The District's cash and cash equivalents consist of cash on hand and demand deposits.

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

J) Receivables:

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

K) Inventory:

Inventory of food in the school lunch fund is recorded at cost on a first-in, first-out basis, or in the case of surplus food donated by the U.S. Department of Agriculture, at the Government's stated value, which approximates market. Inventory is accounted for on the consumption method. Under the consumption method, a current asset for the inventory is recorded at the time of receipt and/or purchase and an expense/expenditure is reported in the year the goods or services are consumed.

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Purchases of inventorable items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount.

A portion of fund balance has been classified as nonspendable to indicate that inventory does not constitute available spendable resources.

L) Capital assets:

Capital assets are reported at actual cost for acquisitions subsequent to 20 years. For assets acquired prior to 20 years, estimated historical costs, based on appraisals conducted by independent third-party professionals. Donated assets are reported at acquisition value at the time received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-Wide Statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Building and building improvements	\$15,000	Straight-line	20 - 40 years
Furniture and equipment	\$2,000	Straight-line	5 - 20 years

The District evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The District's policy is to record an impairment loss in the period when the District determines the carrying amount of the asset will not be recoverable. At June 30, 2024, the District has not recorded any such impairment losses.

M) Intangible lease assets:

Intangible lease assets are reported at the present value of remaining future lease payments to be made during the lease term. The discount rate utilized is either the interest rate implicit within the lease agreement, or if not readily determinable, the District's estimated incremental borrowing rate. These intangible lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset.

Capitalization thresholds (the dollar value above which intangible lease asset acquisitions are added to the intangible lease asset accounts), amortization methods, and estimated useful lives of intangible lease assets reported in the District-Wide Financial Statements follow the same thresholds as noted above for capital assets.

N) Deferred outflows and inflows of resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category. These amounts are related to pensions and other post-employment benefits obligation which are reported in the District-Wide Statement of Net Position, and are detailed further in Notes 11 and 13.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. These amounts are related to pensions and other post-employment benefit obligation reported in the District-Wide Statement of Net Position, which are detailed further in Notes 11 and 13.

O) Short-term debt:

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

The District may issue bond anticipation notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date, seven years if originally issued during calendar year 2015 through, and including, 2021. The notes, or renewal thereof, may not extend more than two years beyond the original date of issue, unless a portion is redeemed within two years and within each twelve-month period thereafter.

The District has issued and redeemed \$13,500,000 in TANs and \$7,670,000 in a short-term bond in the fiscal year ended June 30, 2024. See Note 9 for further detail.

P) Collections in Advance:

Collections in advance arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures or when charges for services monies are received in advance from payers prior to the services being rendered by the District, such as prepaid lunch amounts. These amounts are recorded as liabilities in the financial statements. The liabilities are removed, and revenues are recognized in subsequent periods when the District has legal claim to the resources. At June 30, 2024, collections in advance consisted of \$30,000 in the general fund related to state grant monies received for the subsequent year and \$60,654 in the school lunch fund related to prepaid student account balances.

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Q) Other Benefits:

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

Sick leave eligibility and accumulation is specified in negotiated labor contracts and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave. Certain collectively bargained agreements require these termination payments to be paid in the form of non-elective contributions into the employee's 403 (b) plan.

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

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

In the Funds Financial Statements, only the amount of matured liabilities is accrued within the general fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you go basis.

R) Other Benefits:

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

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

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

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

S) Long Term Debt:

The District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the local government. The repayment of principal and interest will be in the debt service fund.

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

In the District-Wide financial statements, premiums received on long-term debt issuances are netted with bonds payable and amortized over the life of the bonds.

T) Equity classifications:

District-Wide Financial Statements:

In the District-Wide Financial Statements, there are three classes of net position:

Net investment in capital assets consists of net capital assets (cost less accumulated depreciation) and intangible lease assets (present value of future lease payments remaining on the lease term less accumulated amortization) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets, including the unamortized deferred outflows of resources and deferred inflows of resources.

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

Unrestricted net position – reports all other net position that do not meet the definition of the above two classifications and are deemed to be available for general use by the District.

Fund Financial Statements:

There are five classifications of fund balance as detailed below; however, in the Fund Financial Statements there are four classifications of fund balance presented:

Nonspendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Nonspendable fund balance includes the inventory recorded in the school lunch fund of \$15,013.

Restricted fund balance – Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

Currently, New York State law still use the terminology “reserves” and Districts are only allowed to use reserves authorized by law. The District has classified the following reserves as restricted:

Employee Benefit Accrued Liability Reserve

Employee benefit accrued liability reserve (GML§6-p), must be used for the payment of accrued employee benefit due an employee upon termination of the employee’s service. This reserve may be established by a majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the general fund.

Retirement Contribution Reserve

Retirement contribution reserve (GML§6-r), must be used for financing retirement contributions to the New York State and Local Employees’ Retirement System. In addition, a subfund of this reserve may also be created to allow for financing retirement contributions of the New York State Teachers’ Retirement System. The reserve must be accounted for separate and apart from all other funds, and a detailed report of the operation and condition of the fund must be provided to the Board. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. The Teachers’ Retirement System subfund is subject to contribution limits. This reserve is accounted for in the general fund.

Capital Reserve

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

Workers’ Compensation Reserve

Workers’ compensation reserve (GML §6-j) must be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers’ Compensation Law, and for

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

payment of expenses of administering this self-insurance program. The reserve may be established by Board action, and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. The reserve is accounted for in the general fund.

Unemployment Insurance Reserve

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

Restricted for Unspent Bond Proceeds

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

Restricted for Debt Service

Debt service accumulates funds from unused bond proceeds and interest earnings. The accumulated funds must be used to offset the cost of the bond principal and interest payments. This reserve is accounted for in the debt service fund.

Restricted for Scholarships and Donations

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

Unrestricted Resources:

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District has provided otherwise in its commitment or assignment actions.

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

Assigned fund balance – Includes amounts that are subject to a purpose constraint that represents an intended use established by the District’s Board of Education. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance includes an amount appropriated to partially fund the subsequent year’s budget. Assigned fund balance also includes Board designations and encumbrances not classified as restricted or committed at the end of the fiscal year.

Unassigned fund balance – Includes the residual fund balance for the general fund and includes residual fund balance deficits of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts. Assignments of fund balance cannot cause a negative unassigned fund balance.

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

The District’s general fund unassigned fund balance is within the New York State Real Property Tax Law 1318 limit as of June 30, 2024.

Order of Use of Fund Balance

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

U) Future Accounting Pronouncements:

GASB Statement No. 101, *Compensated Absences*, was issued to better meet the information need of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and amending previously required disclosures. The requirements of this Statement are effective for periods beginning after December 15, 2023.

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN FUND FINANCIAL STATEMENTS AND DISTRICT-WIDE FINANCIAL STATEMENTS:

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

A) Total fund balances of governmental funds vs. net position of governmental activities:

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. The difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets.

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

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

Long-term revenue and expenses differences:

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

Capital related differences:

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

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Long-term debt transaction differences:

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

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

A) Budgets:

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

The voters of the District approved the proposed appropriation budget for the general fund.

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. Supplemental appropriations that occurred during the fiscal year are shown on the other supplemental information – schedule of change from adopted budget to final budget.

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

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

B) Encumbrances:

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as reservations of fund balance and do not represent expenditures or liabilities. These commitments will be

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

NOTE 4 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS:

A) Cash and Cash Equivalents:

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

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

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. GASB Statement 40, *Deposit and Investment Risk Disclosures*, directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are as follows:

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

All of the District's aggregate bank balances were covered by depository insurance or collateralized with securities held by the pledging financial institution in the District's name at year end.

B) Restricted Cash and Cash Equivalents:

Restricted cash and equivalents represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash and cash equivalents at June 30, 2024 included \$29,800,473 within the governmental funds for general reserves, scholarship and donation purposes, debt service, capital projects, and unspent bond proceeds.

C) Investments:

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

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

purchase investments denominated in a foreign currency and is not exposed to foreign currency risk.

NOTE 5 – PARTICIPATION IN BOCES:

During the fiscal year ended June 30, 2024, the District was billed \$3,196,255 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$1,466,156. Financial statements for the Western Suffolk BOCES are available from the Western Suffolk BOCES administrative office at 507 Deer Park Ave, Dix Hills, NY 11746.

NOTE 6 – STATE AND FEDERAL AID RECEIVABLES:

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

General Fund	
Excess cost aid	\$ 116,968
IMA aid	366
BOCES aid	1,466,156
Total - General Fund	<u>1,583,490</u>
Special Aid Fund	
Federal aid	465,763
State aid	135,406
Total - Special Aid Fund	<u>601,169</u>
School Lunch Fund	
Federal lunch reimbursements	3,484
State lunch reimbursements	368
Total - School Lunch Fund	<u>3,852</u>
Total - State and federal aid receivables	<u><u>\$ 2,188,511</u></u>

District management has deemed these amounts to be fully collectible.

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 7 - CAPITAL ASSETS AND INTANGIBLE LEASE ASSETS:

A) Capital Assets

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

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 125,075	\$ -	\$ -	\$ 125,075
Construction in progress	12,954,315	10,855,624		23,809,939
Total capital assets not being depreciated	13,079,390	10,855,624	-	23,935,014
Capital assets being depreciated:				
Buildings and improvements	76,330,896	20,288	(13,773)	76,337,411
Furniture and equipment	3,546,797	531,691	(474,185)	3,604,303
Total capital assets being depreciated	79,877,693	551,979	(487,958)	79,941,714
Less accumulated depreciation:				
Buildings and improvements	53,650,719	2,802,865	(13,773)	56,439,811
Furniture and equipment	2,198,793	224,579	(471,132)	1,952,240
Total accumulated depreciation	55,849,512	3,027,444	(484,905)	58,392,051
Total capital assets being depreciated, net	83,870,410	(2,475,465)	(3,053)	21,549,663
Total Capital Assets, Net	<u>\$ 37,107,571</u>	<u>\$ 8,380,159</u>	<u>\$ (3,053)</u>	<u>\$ 45,484,677</u>

Depreciation expense and loss on disposals was charged to governmental functions as follows:

General support	\$ 71,655
Instruction	2,958,842
Total depreciation expense and loss on disposals	<u>\$ 3,030,497</u>

B) Intangible Lease Assets

The following schedule summarizes the District's intangible lease asset activity for the fiscal year ended June 30, 2024:

COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Intangible lease assets				
Furniture and equipment	\$ 1,689,092	\$ 430,940	\$ (605,149)	\$ 1,514,883
Total intangible lease assets being amortized	1,689,092	430,940	(605,149)	1,514,883
Less accumulated amortization:				
Furniture and equipment	919,755	461,044	(605,149)	775,650
Total accumulated amortization	919,755	461,044	(605,149)	775,650
Total intangible lease assets, net	\$ 769,337	\$ (30,104)	\$ (1,210,298)	\$ 739,233

Amortization expense of \$461,044 was charged to the governmental functions as general support.

NOTE 8 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General fund	\$ 563,547	\$ 536,918	\$ 648,325	\$ 611,463
Special aid fund		563,547	76,111	
School lunch fund	1,566			
Debt service fund	602,911		535,352	648,325
Capital projects fund		67,559		
Totals	1,168,024	1,168,024	1,259,788	1,259,788

The District typically transfers from the general fund to the special aid fund to fund the District's local share of the summer program for students with disabilities and to fund the State Supported Section 4201 schools. The transfer from the general fund to the debt service fund is for bond account interest earnings in capital fund. The District transfer from debt service fund to general fund is to offset current year debt payments.

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

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

NOTE 9 - SHORT-TERM DEBT:

Transactions in short-term debt for the year ending June 30, 2024 are summarized below:

COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Maturity	Net Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
TAN	6/26/2024	2.75%	\$ -	\$ 13,500,000	\$ 13,500,000	\$ -
Short-term bond	6/15/2024	6.91%	\$ -	\$ 7,670,000	\$ 7,670,000	\$ -
Total			\$ -	\$ 13,500,000	\$ 13,500,000	\$ -

Interest on short-term debt for the year amounted to \$645,902, offset partially by a premium of \$101,994.

The TAN was issued for interim financing of general fund operations, and the short-term bond was issued to partially pay for the CVA settlements.

NOTE 10 – LONG-TERM LIABILITIES:

Long-term liability balances and activity for the year ending June 30, 2024 are summarized below:

	Beginning Balance	Issued	Redeemed	Ending Balance	Due within one year
Long Term Debt:					
Bonds payable	\$ 27,700,000		\$ (1,825,000)	\$ 25,875,000	\$ 1,790,000
Unamortized bond premiums	272,149		(18,953)	253,196	18,953
Total bonds payable	27,972,149	-	(1,843,953)	26,128,196	1,808,953
Other long-term liabilities:					
Lease liability	783,832	430,940	(460,122)	754,650	354,593
Compensated absences payable	5,321,584	346,087	(416,105)	5,251,566	360,667
Workers' compensation claims payable	1,880,146	164,362	(179,463)	1,865,045	248,569
Net pension liability - proportionate share - ERS	3,400,148		(1,068,791)	2,331,357	
Net pension liability - proportionate share - TRS	2,972,641		(1,228,716)	1,743,925	
Total other post-employment benefits obligation	80,778,367	6,782,565	(2,794,654)	84,766,278	2,752,201
Total long-term liabilities	\$ 123,108,867	\$ 7,723,954	\$ (7,991,804)	\$ 122,841,017	\$ 5,524,983

The general fund has typically been used to liquidate long-term liabilities such as bonds payable, lease liability, compensated absences payable, workers' compensation claims payable, net pension liabilities (if applicable), and other post-employment benefits obligation.

A) Bonds Payable

Bonds payable is comprised of the following:

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at Year End
2022 Serial Bond	6/15/2022	6/15/2037	2.00-4.00%	\$ 17,475,000
2023 Serial Bond	4/26/2023	6/15/2038	3.00-3.125%	8,400,000
				<u>\$ 25,875,000</u>

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

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2025	\$ 1,790,000	\$ 811,156	\$ 2,601,156
2026	1,780,000	757,456	2,537,456
2027	1,790,000	704,056	2,494,056
2028	1,825,000	650,356	2,475,356
2029	1,870,000	595,606	2,465,606
2030-2034	9,880,000	2,114,663	11,994,663
2035-2038	6,940,000	526,625	7,466,625
	<u>\$ 25,875,000</u>	<u>\$ 6,159,918</u>	<u>\$ 32,034,918</u>

B) Premiums on Bonds:

Premiums on bonds, net of accumulated amortization, are reported as a component of bonds payable, and amounted to \$253,196 at June 30, 2024. This represents premiums received on the 2022 bond issuance and 2023 bond issuance. These premiums are being amortized using the straight-line method over the respective lives of the bonds. Amortization is recorded as a reduction in interest expense on the District-Wide Statement of Activities. As of June 30, 2024, the premiums recorded in the District-Wide Financial Statements consisted of:

	<u>2022 Issuance</u>	<u>2023 Issuance</u>	<u>Total</u>
Premium on bonds	\$ 161,623	\$ 122,664	\$ 284,287
Accumulated amortization	(21,550)	(9,541)	(31,091)
Premium on bonds, net of accumulated amortization	<u>\$ 140,073</u>	<u>\$ 113,123</u>	<u>\$ 253,196</u>

C) Lease Liability

The District recognizes a lease liability obligation and an intangible lease asset for agreements whereby the District obtains the right to the present service capacity of an underlying asset and the right to determine the nature and manner of an underlying asset's

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

use for a period of one year or greater. The District has entered into such lease agreements for various copiers and other equipment items with interest rates ranging from 0.36% to 3.00%.

Principal and interest expense paid on the District's lease liability amounted to \$460,122 and \$33,984, respectively, for the fiscal year ended June 30, 2024.

The following is a summary of the principal and interest requirements to maturity for the District's leases:

Fiscal Year Ended June 30,	Principal	Interest	Total
2024	\$ 354,593	\$ 22,117	\$ 376,710
2025	214,580	12,415	226,995
2026	90,668	6,451	97,119
2027	94,809	2,310	97,119
	\$ 754,650	\$ 43,293	\$ 797,943

D) Long-Term Interest

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

	Total
Interest paid	\$ 930,617
Less interest accrued in the prior year	(38,895)
Less amortization of premium	(18,953)
Plus interest accrued in the current year	33,798
Total expense	\$ 906,567

NOTE 11 – PENSION PLANS:

A) Plan Description and Benefits Provided:

i) Teachers' Retirement System

The District participates in the New York State Teachers' Retirement System (TRS) (the System). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10 member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors, and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding the System may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany NY 12211-2395 or by referring to the NYSSTR Comprehensive Annual Financial report which can be found on the System's website at www.nysstrs.org.

ii) Employees' Retirement System

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

B) Funding Policies:

The Systems are noncontributory, except as follows:

1. New York State Teachers' Retirement System:
 - a. Employees who joined the system after July 27, 1976
 - i. Employees contribute 3% of their salary, except that employees in the system more than ten years are no longer required to contribute.
 - b. Employees who joined the system on or after January 1, 2010 before April 1, 2012
 - i. Employees contribute 3.5% of their salary throughout active membership.
 - c. Employees who joined the system on or after April 1, 2012
 - i. Employees contribute between 3% and 6% dependent upon their salary throughout active membership.
2. New York State Employees' Retirement System

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

- a. Employees who joined the system after July 27, 1976
 - i. Employees contribute 3% of their salary, except that employees in the system more than ten years are no longer required to contribute.
- b. Employees who joined the system on or after January 1, 2010 before April 1, 2012
 - i. Employees contribute 3% of their salary throughout active membership.
- c. Employees who joined the system on or after April 1, 2012
 - i. Employees contribute between 3% and 6% dependent upon their salary throughout active membership.

For ERS, the Comptroller annually certifies the rates expressed as proportions of members' payroll annually, which are used in computing the contributions required to be made by employers to the pension accumulation fund, for the ERS' fiscal year ended March 31. The District's contribution rates for ERS' fiscal year ended March 31, 2024 for covered payroll were 18.30% for Tier 2, 15.00% for Tiers 3 and 4, 13.00% for Tier 5, and 9.60% for Tier 6.

Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for NYSTRS. The District's contribution rate for the TRS' fiscal year ended June 30, 2024, was 9.76% of covered payroll.

The District contributions made to the Systems were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years based on covered payroll for the District's year end were:

	NYSERS	NYSTRS
2024	\$ 830,021	\$ 2,778,068
2023	\$ 642,949	\$ 2,898,153
2022	\$ 928,073	\$ 2,524,869

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

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

COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2024	June 30, 2023
Net pension asset/(liability)	\$ (2,331,357)	\$ (1,743,925)
District's portion of the Plan's total net pension asset/(liability)	0.0158337%	0.152496%
Change in proportion since the prior measurement date	-0.0000222%	-0.0024180%

For the fiscal year ended June 30, 2024, the District recognized pension expense of \$5,132,722 for TRS and \$1,248,379 for ERS. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 750,928	\$ 4,228,555	\$ 63,570	\$ 10,450
Changes of assumptions	881,434	3,754,619	-	818,299
Net difference between projected and actual earnings on pension plan investments	-	891,460	1,138,855	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	428,313	502,063	10,069	1,417
District's contributions subsequent to the measurement date	229,136	2,778,068		
	<u>\$ 2,289,811</u>	<u>\$ 12,154,765</u>	<u>\$ 1,212,494</u>	<u>\$ 830,166</u>

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

	<u>ERS</u>	<u>TRS</u>
Plan Year ended:		
2024		\$ 898,777
2025	\$ (246,181)	(757,202)
2026	580,978	7,112,786
2027	730,528	574,342
2028	(217,144)	443,340
Thereafter		274,488
	<u>\$ 848,181</u>	<u>\$ 8,546,531</u>

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Actuarial Assumptions

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

	ERS	TRS
Measurement date	March 31, 2024	June 30, 2023
Actuarial valuation date	April 1, 2023	June 30, 2022
Investment rate of return (net of pension plan investment expense, including inflation)	5.90%	6.95%
Salary increases	4.40%	1.95% - 5.18%
Cost of Living Adjustments	1.5% annually	1.3% annually
Decrement	April 1, 2015 - March 31, 2020	July 1, 2019 - June 30, 2023
	System's Experience	System's Experience
Inflation	2.90%	2.40%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020, System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021. For TRS, annuitant mortality rates are based on plan member experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021, applied on a generational basis. Active member mortality rates are based on plan member experience.

For ERS, the actuarial assumptions used in the April 1, 2023, valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2022, valuation are based on the results of an actuarial experience study for the period July 1, 2019 – June 30, 2023.

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

For TRS, the long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns net of pension plan

COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

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

<u>Measurement Date</u>	<u>ERS</u>		<u>TRS</u>	
	March 31, 2024		June 30, 2023	
	<u>Target</u>	<u>Long-term</u>	<u>Target</u>	<u>Long-term</u>
<u>Asset type</u>	<u>Allocation</u>	<u>expected real rate of return</u>	<u>Allocation</u>	<u>expected real rate of return</u>
Domestic equity	32%	4.00%	33%	6.8%
International equity	15%	6.65%	15%	7.6%
Global equity			4%	7.2%
Private equity	10%	7.25%	9%	10.1%
Real estate	9%	4.60%	11%	6.3%
Opportunistic/ absolute return strategy	3%	5.25%		
Real assets	3%	5.79%		
Credit	4%	5.40%		
Cash	1%	0.25%		
Fixed income	23%	1.50%	16%	2.2%
Global bonds			2%	1.6%
High-yield bonds			1%	4.4%
Private debt			2%	6.0%
Real estate debt			6%	3.2%
Cash equivalents			1%	0.3%
	<u>100%</u>		<u>100%</u>	

The expected real rate of return is net of the long-term inflation assumptions of 2.90% for ERS, and 2.40% for TRS.

Discount Rate

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

COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

was applied to all periods of projected benefit payments to determine the total pension asset/(liability).

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

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

	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
ERS			
District's proportionate share of the net pension asset/(liability)	<u>(\$7,330,024)</u>	<u>(\$2,331,357)</u>	<u>\$1,843,567</u>
	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
TRS			
District's proportionate share of the net pension asset/(liability)	<u>(\$26,560,867)</u>	<u>(\$1,743,925)</u>	<u>\$19,128,196</u>

Pension Plan Fiduciary Net Position

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

	(Dollars in Thousands)	
	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2024	June 30, 2023
Employers' total pension asset/(liability)	\$ (240,696,851)	\$ (138,365,122)
Plan Fiduciary Net Position	<u>225,972,801</u>	<u>137,221,537</u>
Employers' net pension asset/(liability)	<u>\$ (14,724,050)</u>	<u>\$ (1,143,585)</u>
Ratio of plan fiduciary net position to the Employers' total pension liability	93.88%	99.17%

Payables to the Pension Plan

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

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2024 amounted to \$229,136.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2024 are paid to the System in September, October and November 2024 through a state aid intercept, with a balance to be paid by the District, if necessary. Accrued retirement contributions as of June 30, 2024 represent employee and employer contributions for the fiscal year ended June 30, 2024 based on paid TRS wages multiplied by the employer's contribution rate, and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2024 amounted to \$3,017,366.

NOTE 12 – PENSION PLANS – OTHER:

A) Tax Sheltered Annuities:

The District has adopted a 403 (b) plan covering all eligible employees. Employees may defer up to 100% of their compensation subject to Internal Revenue Code elective deferral limitations. The District may also make non-elective contributions of certain termination payments based on collectively bargained agreements. Contributions made by the District and the employees for the year ended June 30, 2024, totaled \$29,450 and \$98,233 respectively.

B) Deferred Compensation Plan:

The District has established a deferred compensation plan in accordance with Internal Revenue Code § 457 for eligible employees. The District makes no contributions into this Plan. The amount deferred by eligible employees for the fiscal year ended June 30, 2024 totaled \$1,990,136.

NOTE 13 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB):

A) General Information about the OPEB Plan:

Plan Description

The District's OPEB Plan (the "OPEB Plan"), defined as a single employer defined benefit plan, primarily provides post-employment health insurance coverage to retired employees and their eligible dependents in accordance with the provisions of various employment contracts. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board of Education. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement 75.

Benefits Provided

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The District provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the District offices and are available upon request. The District recognizes the cost of the Plan annually as expenditures in the fund financial statements as payments are accrued. For fiscal year 2024, the District contributed an estimated \$2,794,654 to the Plan for current premiums and \$0 to prefund benefits. Currently, there is no provision in the law to permit the District to fund OPEB by any other means than the “pay as you go” method.

Employees Covered by Benefit Terms

At July 1, 2022, the date of the most recent full valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	208
Active Employees	<u>267</u>
Total Members	<u>475</u>

Total OPEB Liability:

The District’s total OPEB liability of \$84,766,278 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2022. Update procedures were used to roll forward the total OPEB liability to the measurement date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	2.00%
Discount Rate	3.97%
Healthcare cost trend rates	*Rates differ based as defined below
Retirees’ share of benefit-related costs	0% to 25% of premium based on department and date of hire

*The June 30, 2024 actuarial valuation uses healthcare cost trend rates as follows:

Pre-65 medical trend rate	7.75% to an ultimate rate of 4.037% in 2075
Post-65 Medicare advantage trend rate	4.60% to an ultimate rate of 4.037% in 2075
Pre-65 Prescription drug trend rate	7.75% to an ultimate rate of 4.037% in 2075
Post-65 Prescription drug trend rate	7.00% to an ultimate rate of 4.037% in 2075
Medicare Part B trend rate	6.00% to an ultimate rate of 4.037% in 2075

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The discount rate was based on the Fidelity General Obligation 20-Year AA Municipal Bond Index.

Mortality rates were based on the PubT-2010 Headcount-Weighted Mortality Table for teaching positions and PubG-2010 Headcount-Weighted Mortality Table for non-teaching positions projected to the valuation date with Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable. The Plan does not have credible data on which to perform an experience study. As a result, a full actuarial experience study is not applicable.

B) Changes in the Total OPEB Liability:

Balance as of June 30, 2023	<u>\$ 80,778,367</u>
Changes for the fiscal year:	
Service cost	2,549,816
Interest	3,162,531
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	1,070,218
Benefit payments	<u>(2,794,654)</u>
Net changes	<u>3,987,911</u>
Balance as of June 30, 2024	<u><u>\$ 84,766,278</u></u>

There were no significant plan changes since the last valuation.

Changes in assumptions or other inputs include a change in the discount rate from 3.86% as of June 30, 2023 to 3.97% as of June 30, 2024.

Sensitivity of the Total OPEB Liability to changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.97%) or 1-percentage point higher (4.97%) than the current discount rate.

	1% Decrease <u>(2.97%)</u>	Discount Rate <u>(3.97%)</u>	1% Increase <u>(4.97%)</u>
Total OPEB liability	<u>\$98,379,067</u>	<u>\$84,766,278</u>	<u>\$73,761,810</u>

COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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

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

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability	<u>\$71,461,657</u>	<u>\$84,766,278</u>	<u>\$101,724,949</u>

C) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the fiscal year ended June 30, 2024, the District recognized OPEB expense (credit) of (\$3,061,685). At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	(\$16,694,266)
Changes of assumptions or other inputs	<u>12,055,679</u>	<u>(16,500,185)</u>
	<u>\$12,055,679</u>	<u>(\$33,194,451)</u>

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

Fiscal Year ended June 30:	
2025	\$ (7,655,690)
2026	(4,093,037)
2027	(6,076,745)
2028	(3,449,579)
2029	132,723
Thereafter	<u>3,556</u>
Total	<u>\$ (21,138,772)</u>

NOTE 14 – ASSIGNED: APPROPRIATED FUND BALANCE

The amount of \$1,200,000 has been appropriated to reduce taxes for the year ending June 30, 2025.

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 15 – RESTRICTED FUND BALANCE – APPROPRIATED RESERVES

The District expects to appropriate the following amounts from reserves, which are reported in the June 30, 2024 restricted fund balances, to fund the budget and reduce taxes for the year ending June 30, 2025:

Workers' Compensation	\$ 250,000
Retirement Contribution	
Employees' retirement system	900,000
Employee benefit accrued liability	950,000
Unemployment benefits	217,000
	<u>\$ 2,317,000</u>

NOTE 16 – RESTRICTED FOR CAPITAL RESERVE

The following is a summary of the District's restricted capital reserve activity since inception:

	<u>Capital Reserve</u>	<u>Capital Reserve</u>	<u>Capital Reserve</u>	<u>Capital Reserve</u>	
Date Created	2024	2020	2015	2011	
Number of Years to Fund	15	5	5	5	
Maximum Funding	\$ 15,000,000	\$ 15,000,000	\$ 10,000,000	\$ 7,500,000	
General Fund					Total
Funding Provided	\$ 3,500,000	\$ 7,648,028	\$ 10,000,000	\$ 7,500,000	\$ 28,648,028
Interest Earnings		19,566	205,518		225,084
Use of Reserve		(7,667,594)	(5,035,000)	(7,500,000)	(20,202,594)
Total General Fund	<u>3,500,000</u>	<u>-</u>	<u>5,170,518</u>	<u>-</u>	<u>8,670,518</u>
Capital Projects Fund					
Funding Provided			5,035,000	7,500,000	12,535,000
Use of Reserve			(5,035,000)	(7,383,952)	(12,418,952)
Total Capital Projects Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,048</u>	<u>116,048</u>
Balance as of June 30, 2024	<u>\$ 3,500,000</u>	<u>\$ -</u>	<u>\$ 5,170,518</u>	<u>\$ 116,048</u>	<u>\$ 8,786,566</u>

On November 16, 2023, the voters, in a referendum, determined the 2020 Capital Reserve was no longer needed. The proceeds were used to pay outstanding bonded indebtedness issued to finance Child Victims Act settlements. There is no future funding of the 2020 Capital Reserve allowable.

NOTE 17– TAX ABATEMENTS:

Nassau County and Suffolk County enter into various property tax and sales tax (if applicable) abatement programs for the purpose of economic development. The District received Payment in Lieu of Tax (PILOT) payments totaling \$60,864 for these programs during the fiscal year related

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

to the Long Island Power Authority. These PILOT payments are not considered tax abatements as the purpose of this agreement was not to abate taxes.

NOTE 18– RISK MANAGEMENT:

A) General:

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

B) Risk Retention:

The District has established a self-insured plan for risks associated with workers' compensation claims. Liabilities of the plan are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. General fund liabilities only include amounts for reported claims and do not include claims which were incurred on or before year end but not reported ("IBNR"). As of June 30, 2024, the District has recorded potential workers' compensation claims of \$1,865,045 and has a workers' compensation reserve balance of \$999,398 in the general fund.

Claims activity is summarized below:

<u>Fiscal years ended June 30,</u>	<u>Beginning Balance</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2024	\$ 1,880,146	\$ 164,362	\$ 179,463	\$ 1,865,045
2023	\$ 1,747,276	\$ 365,879	\$ 233,009	\$ 1,880,146

The District has not purchased any annuity contracts.

C) Public Entity Risk Pool:

The District participates in New York Schools Insurance Reciprocal, a non-risk-retained public entity risk pool for its District property and liability insurance coverage. The pool is operated for the benefit of individual governmental units located within the pool's geographic area, and is considered a self-sustaining risk pool that will provide coverage for its members. The pool obtains independent coverage for insured events and the District has essentially transferred all related risk to the pool.

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 19 – COMMITMENTS AND CONTINGENCIES:

A) Encumbrances:

All encumbrances are classified as restricted or assigned fund balance. At June 30, 2024, the District encumbered the following amounts:

General Fund:

General support	\$ 222,892
Instruction	283,282
Total General fund	<u>\$ 506,174</u>

Special Aid Fund:

Instruction	<u>\$ 1,500</u>
-------------	-----------------

Capital Fund:

Capital outlays	<u>\$ 5,409,048</u>
-----------------	---------------------

B) Grants:

The District has received grants, which are subject to audit by agencies of the state and federal governments. Such audits may result in disallowances and a request for a return of funds.

C) Litigation:

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

D) Library Indebtedness:

On September 1, 2004, the District entered into a tax pledge agreement with the Cold Spring Harbor Village Improvement Society Library and a bank, as trustee, in connection with issuance of \$9,500,000 of civic facility revenue bonds for the acquisition and construction of a library facility. Under the terms of the agreement, the District has agreed to cause to be levied on behalf of the Library the aggregate annual amount necessary to pay the debt service on the bonds; said payment to be remitted directly from the District to the Library, and ultimately from the Library to the trustee, according to a time schedule

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

established in the agreement. The annual debt service approximates \$700,000 and will be satisfied in full with the September 15, 2024 semi-annual payment. As of June 30, 2024, the remaining principal outstanding was \$675,000.

NOTE 20 – SUBSEQUENT EVENTS:

Management of the District evaluated events through October 1, 2024, which is the date the financial statements were available to be issued, and noted the following:

On September 24, 2024, the District issued a tax anticipation note in the amount of \$13,000,000, which is due on June 24, 2025, and bears an interest rate of 4.00% and included a premium on issuance of \$85,020.

SUPPLEMENTARY INFORMATION

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Final Budget Variance with Budgetary Actual</u>
REVENUES				
Local Sources				
Real property taxes	\$ 69,558,264	\$ 69,558,264	\$ 69,091,599	\$ (466,665)
Other tax items	66,363	66,363	528,132	461,769
Charges for services	485,000	485,000	459,380	(25,620)
Use of money and property	184,000	184,000	2,231,032	2,047,032
Sale of property and compensation for loss	5,000	5,000	4,351	(649)
Miscellaneous	276,208	349,904	355,851	5,947
State Sources				
Basic formula	3,065,140	3,065,140	2,198,887	(866,253)
Excess cost aid	10,135	10,135	585,520	575,385
Lottery aid	-	-	105,228	105,228
BOCES aid	1,517,336	1,517,336	1,466,156	(51,180)
Tuition aid	-	-	180,094	180,094
Textbook aid	99,841	99,841	100,074	233
Computer software aid	23,960	23,960	24,021	61
Library A/V loan program aid	9,806	9,806	9,812	6
Other state aid	-	-	20,000	20,000
Federal sources	<u>10,000</u>	<u>10,000</u>	<u>4,233</u>	<u>(5,767)</u>
Other Financing Sources				
Transfers from other funds	-	-	648,325	648,325
Premium on obligations	<u>-</u>	<u>-</u>	<u>101,994</u>	<u>101,994</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>75,311,053</u>	<u>75,384,749</u>	<u>\$ 78,114,689</u>	<u>\$ 2,729,940</u>
Appropriated fund balance	750,000	750,000		
Appropriated reserves	<u>1,853,645</u>	<u>15,851,240</u>		
TOTAL REVENUES & APPROPRIATED FUND BALANCE & RESERVES	<u>\$ 77,914,698</u>	<u>\$ 91,985,989</u>		

Note to Required Supplementary Information

Budget Basis of Accounting

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

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Year-End Encumbrances</u>	<u>Final Budget Variance with Budgetary Actual and Encumbrances</u>
EXPENDITURES					
General Support					
Board of education	\$ 44,200	\$ 42,300	\$ 30,145	\$ -	\$ 12,155
Central administration	407,606	425,006	422,198	-	2,808
Finance	1,008,698	1,049,233	945,879	-	103,354
Staff	940,416	1,367,391	1,178,581	-	188,810
Central services	7,691,972	7,843,446	6,978,352	222,892	642,202
Special items	686,395	14,801,234	14,788,297	-	12,937
	<u>10,779,287</u>	<u>25,528,610</u>	<u>24,343,452</u>	<u>222,892</u>	<u>962,266</u>
Instructional					
Instruction, adm. & imp.	2,380,091	2,353,055	2,138,250	10,220	204,585
Teaching - regular school	22,808,233	22,644,046	20,805,434	122,636	1,715,976
Programs for children with handicapping conditions	6,391,590	6,387,265	5,667,281	-	719,984
Occupational education	17,000	17,000	-	-	17,000
Instructional media	2,857,704	2,446,250	2,204,843	107,464	133,943
Pupil services	5,457,480	5,540,537	4,993,962	42,962	503,613
	<u>39,912,098</u>	<u>39,388,153</u>	<u>35,809,770</u>	<u>283,282</u>	<u>3,295,101</u>
Pupil transportation	5,587,297	5,039,248	4,816,102	-	223,146
Community services	1,000	1,000	-	-	1,000
Employee benefits	17,880,430	17,551,986	16,855,202	-	696,784
Debt service					
Debt service principal	1,875,000	2,285,122	2,285,122	-	-
Debt service interest	1,474,586	1,576,519	1,576,519	-	-
TOTAL EXPENDITURES	<u>77,509,698</u>	<u>91,370,638</u>	<u>85,686,167</u>	<u>506,174</u>	<u>5,178,297</u>
Other Financing Uses					
Transfers to other funds	405,000	615,351	611,463	-	3,888
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 77,914,698</u>	<u>\$ 91,985,989</u>	<u>86,297,630</u>	<u>\$ 506,174</u>	<u>\$ 5,182,185</u>
Net change in fund balances			(8,182,941)		
Fund balances - beginning of year			32,897,078		
Fund balances - end of year			<u>\$ 24,714,137</u>		

Note to Required Supplementary Information

Budget Basis of Accounting

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

COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/(LIABILITY)
FOR THE YEARS ENDED JUNE 30,

NYSERS Pension Plan										
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension asset/(liability)	0.01583%	0.01586%	0.01575%	0.01367%	0.01404%	0.01357%	0.01575%	0.01502%	0.01630%	0.01625%
District's proportionate share of the net pension asset/(liability)	\$ (2,331,357)	\$ (3,400,148)	\$ 1,288,000	\$ (14,000)	\$ (3,719,000)	\$ (961,000)	\$ (508,000)	\$ (1,411,000)	\$ (2,616,000)	\$ (549,000)
District's covered payroll	\$ 6,089,908	\$ 6,256,506	\$ 5,803,000	\$ 5,858,000	\$ 5,551,000	\$ 5,439,000	\$ 5,709,000	\$ 5,394,000	\$ 5,335,000	\$ 5,135,000
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	38.28%	54.35%	22.20%	0.23%	67.00%	17.67%	8.90%	26.16%	49.03%	10.69%
Plan fiduciary net position as a percentage of the total pension liability	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%
NYSTRS Pension Plan										
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension asset/(liability)	0.15250%	0.15491%	0.15609%	0.15778%	0.16389%	0.16825%	0.17349%	0.17281%	0.17249%	0.17199%
District's proportionate share of the net pension asset/(liability)	\$ (1,743,925)	\$ (2,972,641)	\$ 27,049,000	\$ (4,360,000)	\$ 4,258,000	\$ 3,042,000	\$ 1,319,000	\$ (1,851,000)	\$ 17,916,000	\$ 19,159,000
District's covered payroll	\$ 28,625,310	\$ 25,764,000	\$ 24,897,000	\$ 32,790,000	\$ 25,290,000	\$ 32,878,000	\$ 30,170,000	\$ 34,254,000	\$ 23,548,000	\$ 18,554,000
District's proportionate share of the net pension asset/(liability) as a percentage of its covered payroll	6.09%	11.54%	108.64%	13.30%	16.84%	9.25%	4.37%	5.40%	76.08%	103.26%
Plan fiduciary net position as a percentage of the total pension liability	99.17%	98.57%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%

Note to Required Supplementary Information

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

Teachers' Retirement System

The discounted rate remained at 6.95% as reflected in 2022, 2023, and 2024 above

Employees' Retirement System

The discounted rate remained at 5.90% as reflected in 2022, 2023, and 2024 above

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
FOR THE LAST TEN FISCAL YEARS ENDED JUNE 30**

NYSERS Pension Plan

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 830,021	\$ 642,949	\$ 928,073	\$ 831,782	\$ 807,000	\$ 814,000	\$ 860,000	\$ 825,000	\$ 1,014,000	\$ 1,072,000
Contributions in relation to the contractually required contribution	<u>830,021</u>	<u>642,949</u>	<u>928,073</u>	<u>831,782</u>	<u>807,000</u>	<u>814,000</u>	<u>860,000</u>	<u>825,000</u>	<u>1,014,000</u>	<u>1,072,000</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 6,275,473	\$ 6,078,366	\$ 5,770,000	\$ 5,635,000	\$ 5,554,000	\$ 5,449,000	\$ 5,526,000	\$ 5,709,000	\$ 5,394,000	\$ 5,135,000
Contributions as a percentage of covered payroll	13.23%	10.58%	16.08%	14.76%	14.53%	14.94%	15.56%	14.45%	18.80%	20.88%

NYSTRS Pension Plan

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 2,778,068	\$ 2,898,153	\$ 2,524,869	\$ 2,372,679	\$ 2,905,000	\$ 2,686,000	\$ 3,222,000	\$ 3,536,000	\$ 4,542,000	\$ 4,128,000
Contributions in relation to the contractually required contribution	<u>2,778,068</u>	<u>2,898,153</u>	<u>2,524,869</u>	<u>2,372,679</u>	<u>2,905,000</u>	<u>2,686,000</u>	<u>3,222,000</u>	<u>3,536,000</u>	<u>4,542,000</u>	<u>4,128,000</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 29,018,953	\$ 28,625,310	\$ 25,764,000	\$ 24,897,000	\$ 32,790,000	\$ 25,290,000	\$ 32,878,000	\$ 30,170,000	\$ 34,254,000	\$ 23,254,000
Contributions as a percentage of covered payroll	9.57%	10.12%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.75%

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

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 2,549,816	\$ 2,537,504	\$ 4,189,451	\$ 3,639,431	\$ 2,793,313	\$ 2,600,709	\$ 3,611,287
Interest	3,162,531	2,946,533	2,196,770	2,529,156	2,889,942	3,199,896	4,254,660
Changes in benefit terms	-	-	-	-	-	(437,934)	-
Effect of plan changes	-	-	-	-	-	-	-
Effect of demographic gains or losses	-	-	-	-	-	-	-
Differences between expected and actual experience	-	(10,396,900)	-	(16,241,687)	(5,946,849)	(13,603,507)	-
Changes of assumptions or other inputs	1,070,218	(3,165,668)	(23,662,589)	7,143,879	29,211,989	(2,027,359)	(9,872,738)
Benefit Payments	(2,794,654)	(2,709,747)	(2,765,231)	(2,591,288)	(2,713,466)	(2,605,703)	(2,607,956)
Net change in total OPEB liability	3,987,911	(10,788,278)	(20,041,599)	(5,520,509)	26,234,929	(12,873,898)	(4,614,747)
Total OPEB liability - beginning	80,778,367	91,566,645	111,608,244	117,128,753	90,893,824	103,767,182	108,381,929
Total OPEB liability - ending	<u>\$ 84,766,278</u>	<u>\$ 80,778,367</u>	<u>\$ 91,566,645</u>	<u>\$ 111,608,244</u>	<u>\$ 117,128,753</u>	<u>\$ 90,893,284</u>	<u>\$ 103,767,182</u>
Covered-employee payroll	\$ 34,832,768	\$ 33,376,944	\$ 36,109,932	\$ 34,334,678	\$ 34,123,976	\$ 34,845,220	\$ 34,797,869
Total OPEB liability as a percentage of covered-employee payroll	243.35%	242.02%	253.58%	325.06%	343.24%	260.85%	298.20%

Notes to Schedule:

Ten years of historical information was not available upon Implementation of GASB Statement No. 75. An additional year or historical information will be added each year subsequent to the year of implementation until ten years of historical data is available.

The District has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay OPEB benefits, as New York State currently does not allow school districts to establish this type of trust. The District currently contributes enough money to the plan to satisfy current obligations on a pay-as-you basis.

Changes of Assumptions

The discount rate was 3.97% as of June 30, 2024.
The discount rate was 3.86% as of June 30, 2023.
The discount rate was 3.69% as of June 30, 2022.
The discount rate was 1.92% as of June 30, 2021.
The discount rate was 2.45% as of June 30, 2020.
The discount rate was 3.13% as of June 30, 2019.
The discount rate was 3.62% as of June 30, 2018

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND THE REAL PROPERTY TAX LIMIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget		\$	77,141,053	
	Add: Prior year's encumbrances		<u>773,645</u>	
Original Budget			77,914,698	
	Appropriated liability reserve	\$	1,840,717	
	Appropriated capital reserve III		7,667,594	
	Appropriated unassigned fund balance		4,489,284	
	Donations		<u>73,696</u>	<u>14,071,291</u>
Final Budget		\$	<u>91,985,989</u>	

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2024-25 voter approved expenditure budget		\$	<u>80,699,285</u>	
Maximum allowed (4% of the 2024-2025 budget)		\$	<u>3,227,971</u>	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:				
Unrestricted fund balance:				
	Assigned fund balance	\$	1,706,174	
	Unassigned fund balance		<u>3,227,971</u>	
	Total unrestricted fund balance	\$		4,934,145
Less:				
	Appropriated fund balance	\$	1,200,000	
	Encumbrances included in assigned fund balance		<u>506,174</u>	
	Total adjustments			<u>1,706,174</u>
	General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	\$	<u>3,227,971</u>	
	Actual percentage			4.00%

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Appropriation	Revised Appropriation	Expenditures to Date				Unexpended Balance	Proceeds of Obligations	State Aid	Methods of Financing			Fund Balance June 30, 2024
			Prior Year's	Current Year	Transfer to GF	Total				Local Sources	Leases	Total	
2013/14 Capital Improvement Plan													
High School Storage Building	\$ 50,000	\$ 538,836	\$ 21,069	\$ 1,719	\$ -	\$ 22,788	\$ 516,048	\$ -	\$ -	\$ 538,836	\$ -	\$ 538,836	\$ 516,048
2015/16 Capital Improvement Plan													
District Wide Asbestos/Rooftop Fans/Doors	308,856	115,546	2,695			2,695	112,851			115,546		115,546	112,851
2017/18 Capital Improvement Plan													
West Side Bathrooms/Kitchen/Casework	382,000	584,161	366,448			366,448	217,713			584,161		584,161	217,713
High School Bathrooms/Drainage System	710,000	710,000	463,102			463,102	246,898			710,000		710,000	246,898
2018/19 Capital Improvement Plan													
Lloyd Harbor Ext. Doors/Bathrooms/Boiler Room	239,540	239,540	37,123			37,123	202,417			239,540		239,540	202,417
High School Doors/PAC Lighting/Electric/Gas/Oil	292,050	422,657	149,687			149,687	272,970			422,657		422,657	272,970
District Wide Security	283,210	253,210	179,955	56,802		236,757	16,453			253,210		253,210	16,453
2021/22 Capital Improvement Plan													
Goosehill Heat, Ventilation, & AC	681,000	556,000	20,346	30,573		50,919	505,081			556,000		556,000	505,081
West Side Heat, Ventilation, & AC	234,000	234,000	7,088	2,392		9,480	224,520			234,000		234,000	224,520
Lloyd Harbor Heat, Ventilation, & AC	270,000	395,000	8,155	32,605		40,760	354,240			395,000		395,000	354,240
2022/23 Capital Improvement Plan													
High School Casework Science Class rooms	700,000	900,000		872,557		872,557	27,443			900,000		900,000	27,443
High School Bathrooms	500,000	300,000				-	300,000			300,000		300,000	300,000
BOND Phase II													
Goosehill - Phase II	1,932,870	2,132,870	839,732	631,966		1,471,698	661,172	200,000		1,932,870		2,132,870	661,172
West Side - Phase II	1,610,700	890,000	45,483	46,875		92,358	797,642	-		890,000		890,000	797,642
Lloyd Harbor - Phase II	2,728,250	1,814,062	68,615	11,143		79,758	1,734,304	1,637,725		176,337		1,814,062	1,734,304
High School - Phase II	15,767,900	20,071,250	9,945,423	8,297,618		18,243,041	1,828,209	19,071,250		1,000,000		20,071,250	1,828,209
BOND Phase III													
Lloyd Harbor - Phase III	783,600	783,600	17,044	3,642		20,686	762,914	783,600				783,600	762,914
High School - Phase III	3,482,780	2,232,780	121,175	10,202		131,377	2,101,403	2,232,780				2,232,780	2,101,403
BOND Phase IV													
West Side - Phase IV	699,600	729,600	14,629	3,364		17,993	711,607	729,600				729,600	711,607
High School - Phase IV	3,184,200	3,184,200	67,904	10,689		78,593	3,105,607	3,184,200				3,184,200	3,105,607
High School - Turf Field/Door Replacements	801,250	844,250		833,327		833,327	10,923	844,250				844,250	10,923
Distirct Wide - Phase IV	2,224,736	23,400	13,250	10,150		23,400	-	23,400				23,400	-
BOCES 23-24 lease agreement	430,940	430,940		430,940		430,940					430,940	430,940	-
Total - All Projects	\$ 38,297,482	\$ 38,385,902	\$ 12,388,923	\$ 11,286,564	\$ -	\$ 23,675,487	\$ 14,710,415	\$ 28,706,805	\$ -	\$ 9,248,157	\$ 430,940	\$ 38,385,902	\$ 14,710,415

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS
JUNE 30, 2024**

Capital assets, net			\$	45,484,677
Intangible lease assets, net				739,233
Add:				
Unspent bond proceeds				9,078,630
Deduct:				
Accounts payable				(531,751)
Short-term portion of bonds payable (inclusive of unamortized premium)	\$	(1,808,953)		
Long-term portion of bonds payable (inclusive of unamortized premium)		<u>(24,319,243)</u>		(26,128,196)
Short-term portion of lease liability	\$	(354,593)		
Long-term portion of lease liability		<u>(400,057)</u>		<u>(754,650)</u>
Net investment in capital assets			\$	<u><u>27,887,943</u></u>

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

To the Board of Education
Cold Spring Harbor Central School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the fiduciary fund of Cold Spring Harbor Central School District (the "District"), as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 1, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



R.S. Abrams & Co., LLP
Islandia, New York
October 1, 2024

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
SINGLE AUDIT REPORT
TABLE OF CONTENTS**

SINGLE AUDIT REPORT	PAGE
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	1 - 3
Schedule of Expenditures of Federal Awards	4
Notes to the Schedule of Expenditures of Federal Awards	5
Schedule of Findings and Questioned Costs	6 - 7
Summary Schedule of Prior Audit Findings	8
Corrective Action Plan	9

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON
THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM
GUIDANCE

To the Board of Education
Cold Spring Harbor Central School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

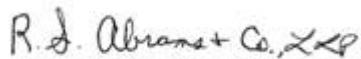
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities and each major fund, and the fiduciary fund of the District as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated October 1, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



R.S. Abrams & Co., LLP
Islandia, New York
January 13, 2025

(except for our report on the schedule of expenditures of federal awards, for which the date is October 1, 2024)

COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-through Grantor Program Title	Assistance Listing Number (ALN)	Agency or Pass-through Number	Program Expenditures	Total Expenditures by ALN
<u>U.S. Department of Education</u>				
<u>Passed-through NYS Education Department:</u>				
Special Education - Grants to States (IDEA, Part B)	84.027	0032-24-0905	\$ 482,219	\$ 482,219
Special Education - Preschool Grants (IDEA Preschool)	84.173	0033-24-0905	\$ 12,285	12,285
Total Special Education Cluster			\$ 494,504	
Title I Grants to Local Educational Agencies (LEAs)	84.010	0021-24-3075	\$ 65,358	65,358
Supporting Effective Instruction State Grants	84.367	0147-24-3075	\$ 23,970	23,970
Student Support and Academic Enrichment Grants	84.424	0204-24-3075	\$ 7,944	7,944
Education Stabilization Fund				
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	5891-21-3075	\$ 29,700	29,700
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	5880-21-3075	\$ 210,853	210,853
Total Education Stabilization Fund			\$ 240,553	
Total U.S. Department of Education				\$ 832,329
<u>U.S. Department of Agriculture</u>				
<u>Passed-through NYS Education Department:</u>				
National School Lunch Program (Cash Assistance)	10.555	N/A	\$ 70,512	
National School Lunch Program (Non-Cash Food Distribution)	10.555	N/A	24,723	95,235
Total Child Nutrition Cluster			\$ 95,235	
Total U.S. Department of Agriculture				\$ 95,235
Total Federal Awards Expended				\$ 927,564

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

1. BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Cold Spring Harbor Central School District (the "District") under programs of the federal government for the fiscal year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Federal awards that are included in the Schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. Pass-through entity identifying numbers are presented where available.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented.

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

3. INDIRECT COST RATE:

The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. SUBRECIPIENTS:

No amounts were provided to subrecipients.

5. OTHER DISCLOSURES:

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

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

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

PART I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's opinion(s) issued: *Unmodified*

Internal control over financial reporting:

Material weakness(es) identified? _____yes x no

Significant deficiencies identified that are not
considered to be material weakness(es)? _____yes x none reported

Noncompliance material to financial statements noted? _____yes x no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____yes x no

Significant deficiencies identified that are not
considered to be material weakness(es)? _____yes x no

Type of auditor's opinion(s) issued on compliance for
major programs: *Unmodified*

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

Identification of major programs:

<u>Name of federal program</u>	<u>Assistance Listing Number(s)</u>
--------------------------------	---

Special Education Cluster	84.027, 84.173
---------------------------	----------------

Dollar threshold used to distinguish between Type A and Type B Programs	\$750,000
--	-----------

Auditee qualified as low risk?	<u> x </u> yes _____no
--------------------------------	-----------------------------

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

PART II FINANCIAL STATEMENT FINDINGS

There are no financial statements findings to be reported.

PART III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no federal award findings or questioned costs to be reported.

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

FINDING # 2023-001

According to 2 CFR section 200.313(d)(1), detailed property records must be maintained for equipment acquired under a federal grant award. Records should include a description of the property, a serial number or identification number, the source of funding (including the federal award identification number), who holds title, the acquisition date, cost of the property, percentage of federal participation in the project costs for the federal award under which the property was acquired, the location, use and condition of the property, and ultimate disposition data. During our prior year audit, we noted the District's fixed asset records were incomplete for some of the assets acquired with federal grant funding during the fiscal year. The timing of fixed asset additions to the District's fixed asset records did not align with the acquisition date. If the District's fixed asset records were incomplete, they may not be properly safeguarded, and the District may not comply with the aforementioned federal regulations. The District was aware of these assets and planned to capitalize the assets during the 2023-2024 fiscal year. We recommended that the District updated their fixed asset records to include required information for assets purchased with federal awards and that a system of communication and a review process be implemented to ensure completeness and timing of fixed asset addition records.

STATUS:

Implemented.

**COLD SPRING HARBOR CENTRAL SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

A corrective plan for the fiscal year ended June 30, 2024 is not required.