

CORNWALL CENTRAL SCHOOL DISTRICT

Basic Financial Statements,
Supplementary Information and
Independent Auditors' Report

June 30, 2025

CORNWALL CENTRAL SCHOOL DISTRICT

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1 - 3
Management's Discussion and Analysis	4 - 15
Basic Financial Statements:	
Statement of Net Position - Governmental Activities	16
Statement of Activities - Governmental Activities	17
Balance Sheet - Governmental Funds	18
Reconciliation of Balance Sheet - Governmental Funds to the Statement of Net Position	19
Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds	20
Reconciliation of Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	21
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	22
Notes to Financial Statements	23 - 51
Required Supplementary Information:	
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	52 - 53
Schedule of Changes in the District's Total OPEB Liability and Related Ratios	54
Schedule of District's Proportionate Share of the Net Pension Asset/Liability	55
Schedule of District's Pension Contributions	56
Other Supplementary Information:	
Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Law Limit - General Fund	57
Schedule of Project Expenditures - Capital Projects Fund	58
Net Investment in Capital Assets	59
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	60 - 61

INDEPENDENT AUDITORS' REPORT

The Board of Education
Cornwall Central School District
Cornwall, New York:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cornwall Central School District (the District), as of and for the year ended June 30, 2025, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the additional pages 52 through 56 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied

certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying other supplementary information as listed in the table of contents is presented for purposes of additional analysis and 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 GAAS. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 8, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering District's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
October 8, 2025

CORNWALL CENTRAL SCHOOL DISTRICT

Management's Discussion and Analysis

June 30, 2025

Introductory Section

The following is a discussion and analysis of Cornwall Central School District's (the District) financial performance for the year ended June 30, 2025. This section is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the District-Wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

Key financial highlights for the year ended June 30, 2025 are as follows:

- Net position increased \$1,620,029.
- General Fund revenue was \$1,611,557 more than budget.
- General Fund expenditures, other financing uses and encumbrances were \$3,450,934 under budget.
- The District received Federal funds for instructional programs and school food service assistance of \$980,794 and \$665,075, respectively.

Overview of the Financial Statements

This annual report consists of three parts: Management's Discussion and Analysis (MD&A) (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the 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 District's operations in more detail than the District-Wide statements.
- The governmental funds statements tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

CORNWALL CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

The following table summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of MD&A highlights the structure and contents of each of the statements.

	District-Wide Statements	Fund Financial Statements	
		Governmental	Fiduciary
Scope	Entire entity (except fiduciary funds)	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, such as collecting taxes for other governments
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenue, Expenditures and Changes in Fund Balances	• Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual and current financial resources measurement focus	Accrual accounting and economic resources focus
Type of asset, deferred outflows of resources, liability and 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	Current assets, deferred outflows of resources, liabilities and deferred inflows of resources that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All financial assets and liabilities, short-term and long-term
Type of inflow and outflow information	All revenue and expenses during the year; regardless of when cash is received or paid	Revenue 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

CORNWALL CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

District-Wide Financial 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 and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-Wide financial statements, the District's activities are shown as governmental activities. Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and State formula aid finance most of these activities.

Fund Financial Statements

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

- Some funds are required by New York State law and by bond covenants.
- The District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Federal grants).

CORNWALL CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

The District has two kinds of funds:

- **Governmental Funds:** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-Wide statements, additional information provided in the notes to financial statements explains the relationship (or differences) between them.
- **Fiduciary Funds:** The District is the trustee, or fiduciary, for assets that belong to others, such as the custodial fund. 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.

Financial Analysis of the District as a Whole

The District's net position at June 30, 2025 is (\$81,858,251). This is a \$1,620,029 increase from last year's net position of (\$83,478,280). The following table provides a summary of the District's net position:

Summary of Net Position

	<u>2025</u>	<u>2024</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Current assets	\$ 40,600,852	38,263,201	2,337,651	6.1%
Noncurrent assets	<u>55,910,838</u>	<u>43,877,590</u>	<u>12,033,248</u>	27.4%
Total assets	<u>96,511,690</u>	<u>82,140,791</u>	<u>14,370,899</u>	17.5%
Deferred outflows of resources	<u>34,857,959</u>	<u>33,272,758</u>	<u>1,585,201</u>	4.8%
Current liabilities	27,665,645	24,689,550	2,976,095	12.1%
Noncurrent liabilities	<u>155,546,339</u>	<u>143,580,932</u>	<u>11,965,407</u>	8.3%
Total liabilities	<u>183,211,984</u>	<u>168,270,482</u>	<u>14,941,502</u>	8.9%
Deferred inflows of resources	<u>30,015,916</u>	<u>30,621,347</u>	<u>(605,431)</u>	(2.0%)
Net investment in capital assets	29,234,931	13,833,145	15,401,786	111.3%
Restricted	18,883,769	10,692,138	8,191,631	76.6%
Unrestricted (deficit)	<u>(129,976,951)</u>	<u>(108,003,563)</u>	<u>(21,973,388)</u>	20.3%
Total net position (deficit)	<u>\$ (81,858,251)</u>	<u>(83,478,280)</u>	<u>1,620,029</u>	1.9%

CORNWALL CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

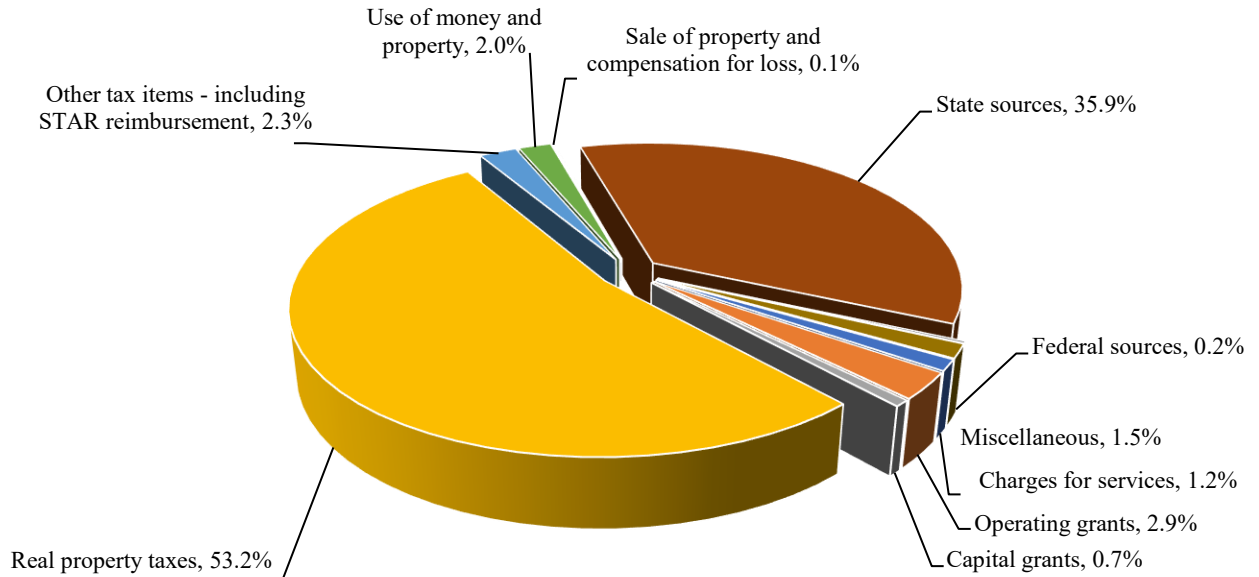
The following table and supporting graphs provides a summary of revenue, expenses and changes in net position for the years ended June 30, 2025 and 2024:

SUMMARY OF CHANGES IN NET POSITION

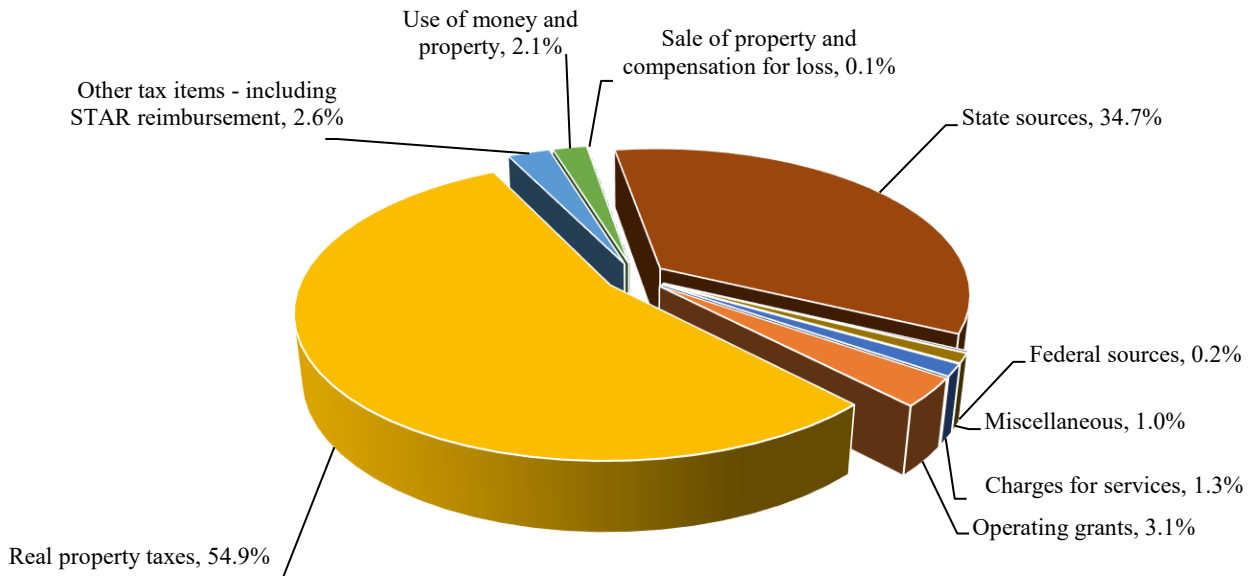
	<u>2025</u>	<u>2024</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Revenue:				
Program revenue:				
Charges for services	\$ 1,144,976	1,186,792	(41,816)	(3.5%)
Operating grants	2,751,421	2,807,938	(56,517)	(2.0%)
Capital grants	797,223	-	797,223	100.0%
General revenue:				
Real property taxes	50,450,160	49,383,667	1,066,493	2.2%
Other tax items - including STAR reimbursement	2,137,359	2,367,440	(230,081)	(9.7%)
Use of money and property	1,903,047	1,855,056	47,991	2.6%
Sale of property and compensation for loss	747	203	544	268.0%
State sources	34,088,719	31,128,239	2,960,480	9.5%
Federal sources	154,282	209,966	(55,684)	(26.5%)
Miscellaneous	<u>1,429,347</u>	<u>915,779</u>	<u>513,568</u>	56.1%
Total revenue	<u>\$ 94,857,281</u>	<u>89,855,080</u>	<u>5,002,201</u>	5.6%
Expenses:				
General support	12,960,349	12,562,754	397,595	3.2%
Instructional	72,653,128	73,552,278	(899,150)	(1.2%)
Pupil transportation	5,830,517	5,845,297	(14,780)	(0.3%)
Community services	24,200	23,969	231	1.0%
Debt service - interest	1,059,504	806,828	252,676	31.3%
School lunch program	<u>709,554</u>	<u>695,286</u>	<u>14,268</u>	2.1%
Total expenses	<u>93,237,252</u>	<u>93,486,412</u>	<u>(249,160)</u>	(0.3%)
Change in net position	<u>\$ 1,620,029</u>	<u>(3,631,332)</u>	<u>5,251,361</u>	144.6%

CORNWALL CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

Sources of Revenue
Year ended June 30, 2025

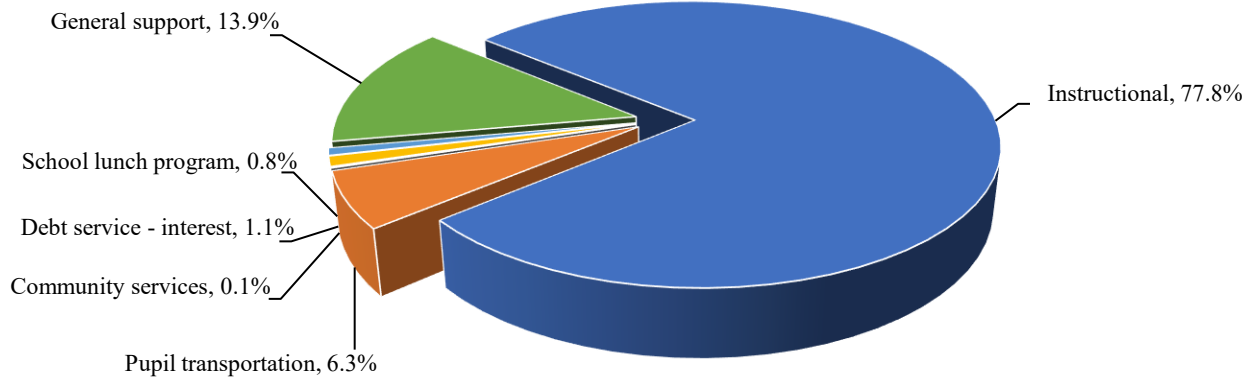


Sources of Revenue
Year ended June 30, 2024

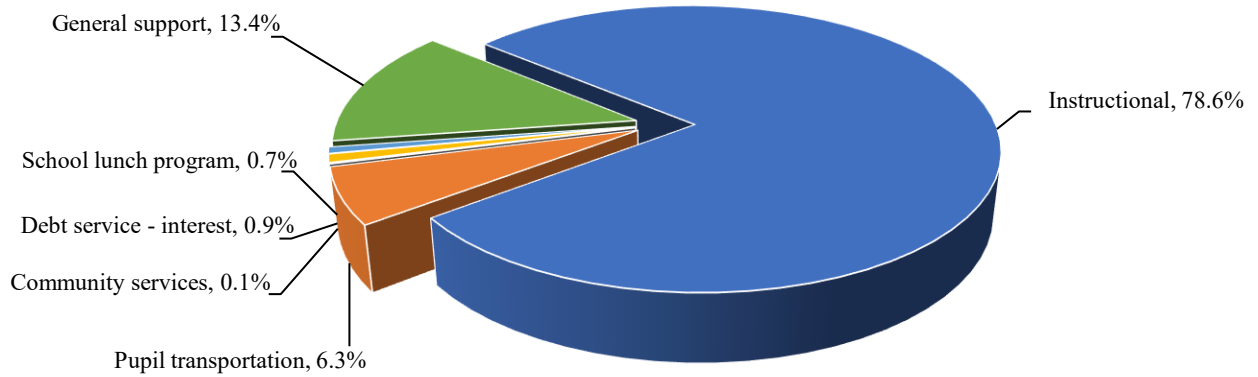


CORNWALL CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

Expenses
Year ended June 30, 2025



Expenses
Year ended June 30, 2024



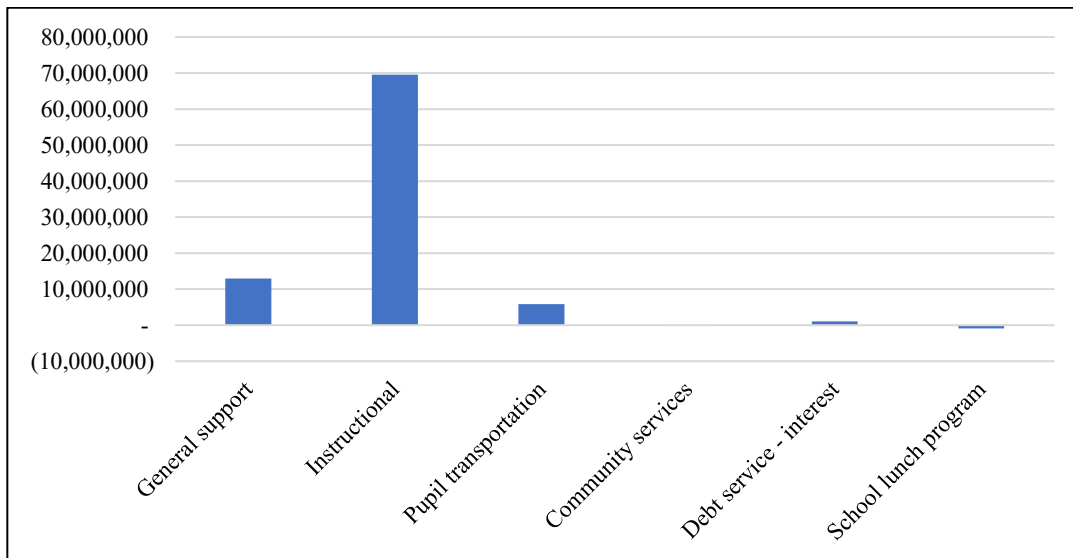
CORNWALL CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

Summary of Net Costs

The following information is provided to disclose the net cost of governmental activities:

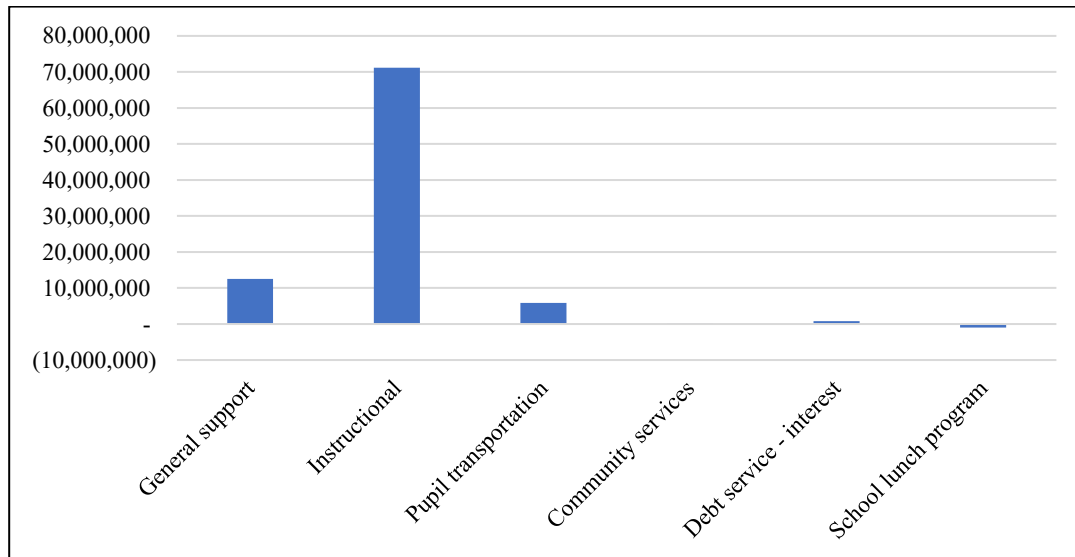
	Total Cost of Services <u>2024-2025</u>	Net Cost of Services <u>2024-2025</u>	Total Cost of Services <u>2023-2024</u>	Net Cost of Services <u>2023-2024</u>
General support	\$ 12,960,349	12,960,349	12,562,754	12,562,754
Instructional	72,653,128	69,569,289	73,552,278	71,196,943
Pupil transportation	5,830,517	5,830,517	5,845,297	5,845,297
Community services	24,200	24,200	23,969	23,969
Debt service - interest	1,059,504	1,059,504	806,828	806,828
School lunch program	<u>709,554</u>	<u>(900,227)</u>	<u>695,286</u>	<u>(944,109)</u>
	<u>\$ 93,237,252</u>	<u>88,543,632</u>	<u>93,486,412</u>	<u>89,491,682</u>

Net Cost of Services 2024-2025



CORNWALL CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

Net Cost of Services 2023-2024



Financial Analysis of the District's Funds

As discussed, the District's governmental funds are reported in the fund statements with a modified accrual basis that uses a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements. The major governmental funds of the District consist of the General Fund, Special Aid Fund, School Food Service Fund, Capital Projects Fund, Debt Service Fund and Miscellaneous Fund. The fund balances allocated between nonspendable, restricted, assigned, and unassigned fund balance for each of these funds is as follows:

	June 30, 2025			
	<u>Nonspendable</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>
General	\$ 968,373	12,753,165	3,924,663	3,292,898
School Food Service	37,271	-	228,699	-
Capital Projects	-	-	-	(6,123,997)
Debt Service	-	354,012	-	-
Miscellaneous	-	365,790	-	-
	<u>\$ 1,005,644</u>	<u>13,472,967</u>	<u>4,153,362</u>	<u>(2,831,099)</u>

CORNWALL CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

	<u>June 30, 2024</u>			
	<u>Nonspendable</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>
General	\$ 953,202	9,699,422	3,805,061	3,610,431
Special Aid	-	-	-	-
School Food Service	38,502	-	248,771	-
Capital Projects	-	570,913	-	-
Debt Service	-	101,862	-	-
Miscellaneous	-	319,941	-	-
	<u>\$ 991,704</u>	<u>10,692,138</u>	<u>4,053,832</u>	<u>3,610,431</u>

General Fund Budgetary Highlights

The original budget for the general fund was revised to \$91,099,922 for the year ended June 30, 2025. During the year, the District revised the budget by \$839,149. The revisions were mainly a result of additional appropriations needed for general support and instructional costs, of which \$980,167 were encumbered in the prior year.

In the general fund for the year ended June 30, 2025, actual revenue was greater than final budgeted revenues by \$1,611,557 (1.84%). Actual expenditures and encumbrances were less than final budgeted expenditures by \$3,450,934 (3.79%). Significant factors contributing to expenditures being less than the final budget were lower than anticipated expenditures in salaries, employee benefits and programs for children with handicapping conditions. For fiscal year 2025-2026, the District has appropriated \$2,489,604 of fund balance to offset a portion of the increase in appropriations. The general fund budget for the 2025-2026 school year was approved by the voters in the amount of \$92,986,803. This is an increase of 2.07% over the previous year's final budget.

Factors that continue to affect the budget process are as follows:

- Increasing contractual costs (transportation, BOCES, related services, etc.).
- Aging facilities and infrastructure that will need significant repairs and/or renovation in the near future.
- Property tax cap legislation
- Retirement contributions
- Health insurance costs

Management believes that the budget adopted for 2025-2026 is reasonably adaptable to any adverse changes that may arise based on the above factors.

CORNWALL CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

Other Fund Highlights

The Special Aid Fund ended the year with no fund balance.

The School Food Service Fund ended the year with a fund balance of \$265,970. Expenditures exceeded revenue and other financing sources by \$21,303.

The Capital Projects Fund ended the year with a fund balance deficit of \$6,123,997. Schedule 6 provides additional information on the District's ongoing capital projects.

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets, net of accumulated depreciation as of June 30, 2025, was \$50,500,036. The increase in net capital assets was 15.1% for the District (see schedule below). The District's investment in capital assets, net of accumulated depreciation as of June 30, 2024, was \$43,877,590.

	Capital Assets Net of Accumulated Depreciation		
	<u>2025</u>	<u>2024</u>	<u>Percentage Change</u>
Non-depreciable assets:			
Land	\$ 1,776,500	1,776,500	-
Construction in progress	13,628,706	7,304,368	86.6%
Depreciable assets:			
Land improvements	59,384	101,798	(41.7%)
Building and improvements	34,422,469	34,071,864	1.0%
Furniture and equipment	<u>612,977</u>	<u>623,060</u>	(1.6%)
Totals	\$ <u>50,500,036</u>	<u>43,877,590</u>	15.1%

CORNWALL CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis, Continued

Long-Term Debt

At the end of the year, the District had total long-term debt principal outstanding of \$14,334,781. This amount is backed by the full faith and credit of the District. Activity in debt outstanding during the year was as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Paid</u>	<u>Ending Balance</u>
Serial bonds dated 08/11/22	\$ 14,620,000	-	2,140,000	12,480,000
Installment purchase debt	<u>2,186,776</u>	<u>-</u>	<u>331,995</u>	<u>1,854,781</u>
Total long-term debt	\$ <u>16,806,776</u>	<u>-</u>	<u>2,471,995</u>	<u>14,334,781</u>

Long-term debt also includes an unamortized bond premium of \$1,204,000 related to the serial bonds dated August 11, 2022. This premium is being amortized over the life of the bond, which matures in October 2029. The District was affirmed a Moody's rating of Aa3 during the year ended June 30, 2025.

Factors Bearing on the District's Future

The general fund budget for the 2025-2026 school year was approved by the voters in the amount of \$92,986,803. This is an increase of 2.07% over the previous year's final budget. The District increased the tax levy 2.75% from the prior year.

The 2025-2026 budget is impacted by certain trends impacting school districts. These include increases in retirement contributions and health insurance costs.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact John Fink, Assistant Superintendent for Business, at the District's business offices at 24 Idlewild Avenue, Cornwall-on-Hudson, New York, 12520.

CORNWALL CENTRAL SCHOOL DISTRICT
Statement of Net Position - Governmental Activities
June 30, 2025

Assets:		
Current assets:		
Cash and equivalents:		
Unrestricted	\$	12,697,156
Restricted		23,464,320
Investments		47,947
Receivables:		
State and federal aid		3,174,706
Accounts receivable		211,079
Inventories		31,031
Prepaid expenses		974,613
Total current assets		<u>40,600,852</u>
Noncurrent assets:		
Net pension asset - proportionate share - TRS system		5,410,802
Non-depreciable capital assets		15,405,206
Depreciable capital assets, net		35,094,830
Total noncurrent assets		<u>55,910,838</u>
Total assets		<u>96,511,690</u>
Deferred outflows of resources:		
Loss on refunding		200,221
Pensions		14,290,738
OPEB		20,367,000
Total deferred outflows of resources		<u>34,857,959</u>
Liabilities:		
Current liabilities:		
Accounts payable		2,087,186
Accrued liabilities		116,817
Bond interest payable		136,734
Due to other governments		289
Due to teachers' retirement system		4,141,353
Due to employees' retirement system		260,557
Bond anticipation notes payable		17,944,338
Compensated absences		103,437
Bonds payable		2,245,000
Premium on bonds payable		280,544
Installment purchase debt		349,390
Total current liabilities		<u>27,665,645</u>
Noncurrent liabilities:		
Compensated absences		828,555
Bonds payable		10,235,000
Premium on bonds payable		923,456
Installment purchase debt		1,505,391
Total OPEB liability		139,552,263
Net pension liability - proportionate share - ERS System		2,501,674
Total noncurrent liabilities		<u>155,546,339</u>
Total liabilities		<u>183,211,984</u>
Deferred inflows of resources:		
Unearned revenue		146,001
Pensions		7,023,732
OPEB		22,846,183
Total deferred inflows of resources		<u>30,015,916</u>
Net position:		
Net investment in capital assets		29,234,931
Restricted		18,883,769
Unrestricted (deficit)		<u>(129,976,951)</u>
Total net position (deficit)	\$	<u>(81,858,251)</u>

See accompanying notes to financial statements.

CORNWALL CENTRAL SCHOOL DISTRICT
Statement of Activities - Governmental Activities
Year ended June 30, 2025

		Program Revenue			Net (Expense)
	<u>Expenses</u>	<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants</u>	<u>Grants</u>	<u>Changes in</u>
					<u>Net Position</u>
Functions and programs:					
General support	\$ 12,960,349	-	-	-	(12,960,349)
Instructional	72,653,128	219,908	2,066,708	797,223	(69,569,289)
Pupil transportation	5,830,517	-	-	-	(5,830,517)
Community services	24,200	-	-	-	(24,200)
Debt service - interest	1,059,504	-	-	-	(1,059,504)
School lunch program	<u>709,554</u>	<u>925,068</u>	<u>684,713</u>	<u>-</u>	<u>900,227</u>
Total functions and programs	<u>\$ 93,237,252</u>	<u>1,144,976</u>	<u>2,751,421</u>	<u>797,223</u>	<u>(88,543,632)</u>
General revenue:					
Real property taxes					50,450,160
Other tax items - including STAR reimbursement					2,137,359
Use of money and property					1,903,047
Sale of property and compensation for loss					747
State sources					34,088,719
Federal sources					154,282
Miscellaneous					<u>1,429,347</u>
Total general revenue					<u>90,163,661</u>
Change in net position					1,620,029
Net position (deficit) at beginning of year					<u>(83,478,280)</u>
Net position (deficit) at end of year					<u>\$ (81,858,251)</u>

See accompanying notes to financial statements.

CORNWALL CENTRAL SCHOOL DISTRICT
Balance Sheet - Governmental Funds
June 30, 2025

<u>Assets</u>	<u>General</u>	<u>Special Aid</u>	<u>School Food Service</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Miscellaneous</u>	<u>Total Governmental Funds</u>
Cash and equivalents:							
Unrestricted	\$ 11,340,378	1,035,960	320,818	-	-	-	12,697,156
Restricted	9,699,422	-	-	13,308,618	106,560	349,720	23,464,320
Investments	-	-	-	-	-	47,947	47,947
Receivables:							
State and federal aid	1,991,543	1,088,317	94,846	-	-	-	3,174,706
Due from other funds	2,722,386	510,514	18,902	50,000	247,452	-	3,549,254
Accounts receivable	205,668	-	5,411	-	-	-	211,079
Inventories	-	-	31,031	-	-	-	31,031
Prepaid expenditures	968,373	-	6,240	-	-	-	974,613
Total assets	<u>\$ 26,927,770</u>	<u>2,634,791</u>	<u>477,248</u>	<u>13,358,618</u>	<u>354,012</u>	<u>397,667</u>	<u>44,150,106</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balance</u>							
Liabilities:							
Accounts payable	777,117	-	1,485	1,290,825	-	17,759	2,087,186
Accrued liabilities	103,386	1,972	11,459	-	-	-	116,817
Due to other governments	-	-	289	-	-	-	289
Due to other funds	579,416	2,628,927	90,459	247,452	-	3,000	3,549,254
Due to teachers' retirement system	4,141,353	-	-	-	-	-	4,141,353
Due to employees' retirement system	260,557	-	-	-	-	-	260,557
Bond anticipation notes payable	-	-	-	17,944,338	-	-	17,944,338
Compensated absences	103,437	-	-	-	-	-	103,437
Total liabilities	<u>5,965,266</u>	<u>2,630,899</u>	<u>103,692</u>	<u>19,482,615</u>	<u>-</u>	<u>20,759</u>	<u>28,203,231</u>
Deferred inflows of resources - unearned revenue	<u>23,405</u>	<u>3,892</u>	<u>107,586</u>	<u>-</u>	<u>-</u>	<u>11,118</u>	<u>146,001</u>
Fund balance:							
Nonspendable	968,373	-	37,271	-	-	-	1,005,644
Restricted	12,753,165	-	-	-	354,012	365,790	13,472,967
Assigned	3,924,663	-	228,699	-	-	-	4,153,362
Unassigned (deficit)	3,292,898	-	-	(6,123,997)	-	-	(2,831,099)
Total fund balance (deficit)	<u>20,939,099</u>	<u>-</u>	<u>265,970</u>	<u>(6,123,997)</u>	<u>354,012</u>	<u>365,790</u>	<u>15,800,874</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 26,927,770</u>	<u>2,634,791</u>	<u>477,248</u>	<u>13,358,618</u>	<u>354,012</u>	<u>397,667</u>	<u>44,150,106</u>

See accompanying notes to financial statements.

CORNWALL CENTRAL SCHOOL DISTRICT
Reconciliation of Balance Sheet -
Governmental Funds to the Statement of Net Position
June 30, 2025

Total governmental fund balance	\$ 15,800,874
---------------------------------	---------------

Amounts reported for governmental activities in the statement of net position are different because:

The costs 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 expensed annually over their useful lives.

Non-depreciable capital assets	\$ 15,405,206	
Depreciable capital assets, net	<u>35,094,830</u>	50,500,036

Long-term liabilities are reported in the statement of net position, but not in the governmental funds, because they are not due and payable in the current period. Balances at year-end consist of:

Bonds payable	(12,480,000)	
Unamortized bond premiums	(1,204,000)	
Installment purchase debt	(1,854,781)	
Accrued interest on bonds payable	(136,734)	
Total OPEB liability	(139,552,263)	
Compensated absences	<u>(828,555)</u>	(156,056,333)

Some deferred inflows of resources and deferred outflows of resources are not reported in the funds. These consist of the following:

Deferred outflows of resources - refunding	200,221	
Deferred outflows of resources - pensions	14,290,738	
Deferred outflows of resources - OPEB	20,367,000	
Deferred inflows of resources - pensions	(7,023,732)	
Deferred inflows of resources - OPEB	<u>(22,846,183)</u>	4,988,044

The proportionate share of net pension asset and liability reported in the statement of net position does not provide for or require the use of current financial resources and therefore are not reported as an asset and liability in the governmental funds.

Teachers' retirement system asset	5,410,802	
Employees' retirement system liability	<u>(2,501,674)</u>	<u>2,909,128</u>
Total net position		<u><u>\$ (81,858,251)</u></u>

See accompanying notes to financial statements.

CORNWALL CENTRAL SCHOOL DISTRICT
Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds
Year ended June 30, 2025

	<u>General</u>	<u>Special Aid</u>	<u>School Food Service</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Miscellaneous</u>	<u>Total Governmental Funds</u>
Revenue:							
Real property taxes	\$ 50,450,160	-	-	-	-	-	50,450,160
Other tax items - including STAR reimbursement	2,137,359	-	-	-	-	-	2,137,359
Charges for services	219,908	-	-	-	-	-	219,908
Use of money and property	1,482,937	-	13,463	401,949	4,698	-	1,903,047
Sale of property and compensation for loss	747	-	-	-	-	-	747
Miscellaneous	550,800	-	-	-	247,452	631,095	1,429,347
State sources	34,088,719	1,085,914	19,638	797,223	-	-	35,991,494
Federal sources	154,282	980,794	665,075	-	-	-	1,800,151
Sales - food services	-	-	925,068	-	-	-	925,068
Total revenue	<u>89,084,912</u>	<u>2,066,708</u>	<u>1,623,244</u>	<u>1,199,172</u>	<u>252,150</u>	<u>631,095</u>	<u>94,857,281</u>
Expenditures:							
General support	9,855,339	-	799,221	-	-	-	10,654,560
Instructional	46,476,258	2,385,871	-	-	-	585,246	49,447,375
Pupil transportation	5,591,840	191,351	-	-	-	-	5,783,191
Community services	24,200	-	-	-	-	-	24,200
Employee benefits	19,266,495	-	211,418	-	-	-	19,477,913
Debt service - principal	2,521,995	-	-	-	-	-	2,521,995
Debt service - interest	1,317,386	-	-	-	-	-	1,317,386
Cost of sales	-	-	652,810	-	-	-	652,810
Capital outlay	-	-	-	8,575,082	-	-	8,575,082
Total expenditures	<u>85,053,513</u>	<u>2,577,222</u>	<u>1,663,449</u>	<u>8,575,082</u>	<u>-</u>	<u>585,246</u>	<u>98,454,512</u>
Excess (deficiency) of revenue over expenditures	<u>4,031,399</u>	<u>(510,514)</u>	<u>(40,205)</u>	<u>(7,375,910)</u>	<u>252,150</u>	<u>45,849</u>	<u>(3,597,231)</u>
Other financing sources and (uses):							
BANS redeemed from appropriations	-	-	-	50,000	-	-	50,000
Operating transfers in	-	510,514	18,902	631,000	-	-	1,160,416
Operating transfers (out)	<u>(1,160,416)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,160,416)</u>
Total other financing sources (uses)	<u>(1,160,416)</u>	<u>510,514</u>	<u>18,902</u>	<u>681,000</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Net change in fund balance	2,870,983	-	(21,303)	(6,694,910)	252,150	45,849	(3,547,231)
Fund balance at beginning of year	<u>18,068,116</u>	<u>-</u>	<u>287,273</u>	<u>570,913</u>	<u>101,862</u>	<u>319,941</u>	<u>19,348,105</u>
Fund balance (deficit) at end of year	<u>\$ 20,939,099</u>	<u>-</u>	<u>265,970</u>	<u>(6,123,997)</u>	<u>354,012</u>	<u>365,790</u>	<u>15,800,874</u>

See accompanying notes to financial statements.

CORNWALL CENTRAL SCHOOL DISTRICT
Reconciliation of Statement of Revenue, Expenditures and Changes
in Fund Balances - Governmental Funds to the Statement of Activities
Year ended June 30, 2025

Net change in fund balance \$ (3,547,231)

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

Long-term revenue and expense differences - In the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). Changes in:

Compensated absences	394,098
Total OPEB liability	(14,184,369)

Long-term debt transactions:

Repayment of bond principal and energy performance debt principal is an expenditure in the governmental funds, less the library portion, but reduce long-term liabilities in the statement of net position and do not affect the statement of activities.

Principal paid on bonds	2,140,000
Principal paid on installment purchase debt	331,995
Amortization on bond premium	280,543
Amortization on deferred loss on refunding	(46,653)

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 requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues regardless of when it is due. Accrued interest from June 30, 2024 to June 30, 2025 changed by.

23,992

Capital related items:

When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense as summarized below:

Capital outlay	\$ 8,513,912
Depreciation expense	<u>(1,891,466)</u> 6,622,446

Changes in proportionate share of net pension asset and liability reported in the statement of activities does not provide for or require the use of current financial resources and therefore are not reported as revenue or expenditures in the governmental funds.

Employees' retirement system	(110,500)
Teachers' retirement system	<u>7,515,803</u> 7,405,303

Some items reported as expenditures in governmental funds are required to be deferred in the statement of net position. In the current period those amounts changed by:

Deferred outflows of resources - pensions	(2,053,046)
Deferred outflows of resources - OPEB	3,684,900
Deferred inflows of resources - pensions	(4,415,561)
Deferred inflows of resources - OPEB	<u>4,983,612</u> 2,199,905

Changes in net position of governmental activities \$ 1,620,029

See accompanying notes to financial statements.

CORNWALL CENTRAL SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	Custodial <u>Funds</u>
Additions - real property taxes	\$ 1,477,558
Deductions - payments to library	<u>1,477,558</u>
Net position at beginning of year	<u>-</u>
Net position at end of year	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

CORNWALL CENTRAL SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2025

(1) Summary of Significant Accounting Policies

The financial statements of Cornwall Central School District (the District) have been prepared in accordance with accounting principles generally accepted in the United States of America (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. 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 State). The District is an independent entity governed by an elected Board of Education (the Board) consisting of nine members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the District is based upon criteria set forth by GASB. 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, the following is a brief description of certain entities included in the District's reporting entity.

(i) Extraclassroom Activity Funds

The extraclassroom activity funds of the District represent funds of the students of the District. The District exercises general oversight of these funds with student management of the financial transactions. Separate audited financial statements (cash basis) of the extraclassroom activity funds can be obtained at the District's business office. The District accounts for assets held as an agent for various student organizations in the miscellaneous fund.

(b) Joint Venture

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

CORNWALL CENTRAL SCHOOL DISTRICT

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(b) Joint Venture, Continued

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

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

During the year, the District was billed \$7,009,589 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$2,556,381.

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

Orange/Ulster Board of Cooperative Educational Services
53 Gibson Road
Goshen, New York 10924

(c) Basis of Presentation

(i) District-Wide Statements

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

The statement of activities presents a comparison between program expenses and revenue 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 revenue includes 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. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue.

CORNWALL CENTRAL SCHOOL DISTRICT
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(c) Basis of Presentation, Continued

(ii) 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 - is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

Special Revenue Funds - these funds account for and report the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. There are three classes of special revenue funds:

Special Aid Fund - is used to account for and report the proceeds of federal and state grants that are legally restricted to expenditures for specified purposes.

School Food Service Fund - is used to account for and report the activities of the school lunch operations.

Miscellaneous Fund - is used to account for the extraclassroom activity funds, scholarships and various deposits in which the district has administrative control over.

Debt Service Fund - is used to account for the advance refunding of a portion of the District's outstanding serial bonds.

Capital Projects Fund - is used to account for and report the financial resources used for acquisition, construction, or major repair of capital facilities.

Fiduciary Funds - are used to account for activities in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the District-Wide financial statements, because their resources do not belong to the District, and are not available to be used. There is one class included as a fiduciary fund.

Custodial Funds - is used to collect and remit taxes to the Public Library.

CORNWALL CENTRAL SCHOOL DISTRICT
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(d) Measurement Focus and Basis of Accounting

The District-Wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

The fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within one year 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 general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

(e) Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1. Taxes are collected by the District beginning September 1. Uncollected real property taxes are transmitted to Orange County for enforcement. Uncollected taxes are paid by the County to the District no later than the forthcoming April 1.

(f) Restricted Resources

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

(g) Interfund Transactions

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

CORNWALL CENTRAL SCHOOL DISTRICT
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(g) Interfund Transactions, Continued

In the District-Wide statements, the amounts reported on the statement of net position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the fiduciary funds.

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

(h) Estimates

The preparation of financial statements in accordance 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 liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, other postemployment benefits, workers' compensation claims liability, pension systems transactions, potential contingent liabilities and useful lives of long-lived assets.

(i) Cash and Equivalents

The District's cash and equivalents consist of cash on hand and demand deposits. State law governs the District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. Permissible investments include obligations of the United States Treasury, United States agencies, repurchase agreements and obligations of the 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.

(j) Accounts Receivable

Accounts receivable are reported 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) Inventories and Prepaid Items

Inventories of food in the school food service fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value which approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount.

CORNWALL CENTRAL SCHOOL DISTRICT
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(k) Inventories and Prepaid Items, Continued

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

(l) Capital Assets

Capital assets are reported in the District-Wide financial statements at actual cost or estimated historical cost. Donated assets are reported at estimated fair market value at the time received. The cost of normal maintenance and repairs that does not add to the value of the assets or materially extend their lives is not capitalized. Major outlays for capital assets and improvements are capitalized as construction in progress until the projects are completed.

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>Depreciation Threshold</u>	<u>Estimated Method</u>	<u>Useful Life</u>
Land	\$ -	N/A	N/A
Land improvements	5,000	Straight-line	5 - 20
Buildings and improvements	5,000	Straight-line	15 - 50
Furniture and equipment	5,000	Straight-line	5 - 20

(m) Deferred Outflows of Resources and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. The first item is the deferred loss the District incurred on its debt refunding transaction. The second item is related to pensions reported in the statement of net position. This represents the effect of the net change in the District's proportion of the collective net pension asset/liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. Additionally, this item includes District contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date. The third item is related to OPEB reported on the statement of net position. The amount represents differences between expected and actual experience, changes of assumptions and the contributions subsequent to the measurement date.

CORNWALL CENTRAL SCHOOL DISTRICT
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(m) Deferred Outflows of Resources and Inflows of Resources, Continued

Deferred inflows of resources represent 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 three items that qualify for reporting in this category. The first instance relates to cash received before the related revenue is earned and is reported as unearned revenue. The second item is related to pensions reported in the statement of net position. This represents the effect of the net change in the District's proportion of the collective net pension asset/liability and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension system not included in pension expense. The third item is related to OPEB reported in the statement of net position. The amount represents differences between expected and actual experience as well as changes of assumptions.

(n) Compensated Absences

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

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

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

Consistent with GASB Statement No. 101 - "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 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.

(o) Other Benefits

In addition to providing pension benefits, the District provides postemployment 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 cost of providing postemployment benefits is shared between the District and the retired employee.

The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the fund financial statements.

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

CORNWALL CENTRAL SCHOOL DISTRICT
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(p) Short-Term Debt

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

The District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which there is an insufficient provision or no provision made in the annual budget. The budget note must be repaid no later than the close of second fiscal year succeeding the year in which the note was issued.

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

(q) Accrued Liabilities and Long-Term Obligations

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

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

(r) Equity Classifications

District-Wide Statements

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

Net investment in capital assets - consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets.

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 does not meet the definition of the above two classifications and is deemed to be available for general use by the District.

CORNWALL CENTRAL SCHOOL DISTRICT
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(r) Equity Classifications, Continued

Fund 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:

(1) Nonspendable - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes the prepaid items in the general fund of \$968,373 and prepaid items and inventories in the school food service fund of \$37,271.

(2) Restricted - includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The District has classified the following reserves as restricted:

Employees' Retirement System Liability

Reserve for employees' retirement system liability (GML§6-r) must be used for financing retirement contributions. 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 is accounted for in the general fund.

Teachers' Retirement System Liability

Reserve for teachers' retirement system liability (GML§6-r) must be used for financing retirement contributions. 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 is accounted for in the general fund.

Tax Certiorari

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

Capital

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

CORNWALL CENTRAL SCHOOL DISTRICT
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(r) Equity Classifications, Continued

Fund Statements, Continued

(2) Restricted, Continued

Employee Benefit Accrued Liability

According to GML §6-p, must be used to pay the cost of accrued employee benefits due to employees at termination. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. The reserve is accounted for in the general fund.

Debt Service

Mandatory reserve for debt service (GML §6-1) is used to establish a reserve for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvements that was financed by obligations which remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of District property or capital improvement. The reserve is accounted for in the debt service fund.

Unemployment Insurance Payment

According to GML §6-m, must be used to pay benefits to claimants and charged to the account of the District in accordance with Labor Law Section 581(1)(e). The reserve is accounted for in the general fund.

Miscellaneous

This reserve is used to account for various scholarship awards and extraclassroom activity funds. This reserve is accounted for in the miscellaneous fund.

The District has classified the following reserves as restricted:

General fund:

Employees' retirement system liability	\$ 1,308,672
Teachers' retirement system liability	2,152,695
Tax certiorari	927,611
Capital reserves	7,758,077
Employee benefit accrued liability	589,149
Unemployment insurance reserve	<u>16,961</u>
Total general fund	12,753,165
Debt service fund	354,012
Miscellaneous fund	<u>365,790</u>
Total restricted fund balance	\$ <u>13,472,967</u>

(3) Committed - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority, (i.e., the Board of Education). The District has no committed fund balances as of June 30, 2025.

CORNWALL CENTRAL SCHOOL DISTRICT
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(r) Equity Classifications, Continued

Fund Statements, Continued

(4) Assigned - Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to District management through Board policies. This classification also includes the remaining positive fund balance for all governmental funds except for the general fund. The District has classified the following as assigned:

General fund:

Appropriated fund balance	\$ 2,489,604
Encumbrances	<u>1,435,059</u>

Total general fund	3,924,663
--------------------	-----------

School food service fund	<u>228,699</u>
--------------------------	----------------

Total assigned fund balance	\$ <u>4,153,362</u>
-----------------------------	---------------------

(5) Unassigned - Includes all other fund balance that do not meet the definition of the above four classifications and are deemed to be available for general use by the District.

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

Order of Use of Fund Balance - The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. In the general fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned.

CORNWALL CENTRAL SCHOOL DISTRICT
Notes to Financial Statements, Continued

(2) Explanation of Certain Differences Between Fund Statements and District-Wide Statements

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

(a) Total Fund Balance 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 additional long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental fund balance sheet.

(b) Statement of Revenue, Expenditures and Changes in Fund Balance vs. Statement of Activities

Differences between the governmental funds' statement of revenue, expenditures and changes in fund balance and the statement of activities fall into one of the five broad categories. The amounts shown below represent:

(i) Long-term revenue and expense differences

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

(ii) Capital related differences

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

(iii) Long-term debt transaction differences

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the fund statements, whereas interest expense is recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net position.

(iv) Pension plan transaction differences

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

(v) Other postemployment benefit (OPEB) related differences

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

CORNWALL CENTRAL SCHOOL DISTRICT
Notes to Financial Statements, Continued

(3) Stewardship, Compliance and Accountability

(a) Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the general fund for which there is a legally adopted (appropriated) budget.

The voters of the District approved the proposed appropriation budget for the general fund. Appropriations are adopted at the program line item level.

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

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

Budgets are established and used for individual capital project fund's 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 assigned fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

(c) Deficit Fund Balance

The capital projects fund has a deficit fund balance of \$6,123,997 as of June 30, 2025. The District plans on eliminating this deficit either through the issuance of long-term debt or transfers from the general fund.

CORNWALL CENTRAL SCHOOL DISTRICT
Notes to Financial Statements, Continued

(4) Cash and Equivalents

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

Deposits at year-end were entirely covered by FDIC or collateralized with securities held by the pledging financial institution in the District's name.

(5) Investments

Investments in equity securities with readily determinable fair values are reported at fair value in the miscellaneous fund (primarily donated scholarship funds). Equity securities are exposed to various risks such as interest rate, market and credit risks. Unrealized gains and losses are included in the statement of revenue, expenditures and changes in fund balances. The District also does not typically purchase investments denominated in a foreign currency, and is not exposed to foreign currency risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the miscellaneous fund.

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

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the assets or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

CORNWALL CENTRAL SCHOOL DISTRICT
Notes to Financial Statements, Continued

(5) Investments, Continued

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies used at June 30, 2025.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the District believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The District assesses the levels of the investments at each measurement date, and transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfer in accordance with its accounting policy regarding the recognition of transfers between levels of the fair value hierarchy. The District's investments are classified as level 1.

Investments at June 30, 2025 consist of the following:

<u>Investment</u>	<u>Fund</u>	<u>Carrying Amount</u>	<u>Type of Investment</u>
Fidelity Balance Fund	Miscellaneous	\$ 22,064	Mutual Fund
Columbia Bond Fund-A	Miscellaneous	<u>25,883</u>	Mutual Fund
Total		\$ <u>47,947</u>	

(6) State and Federal Aid Receivable

State and Federal aid receivable at June 30, 2025 consists of the following:

General Fund:

Excess cost aid	\$ 561,556
General aid	61,273
BOCES aid	<u>1,368,714</u>
	<u>1,991,543</u>

Special Aid Fund:

State aid	886,399
Federal aid	<u>201,918</u>
	<u>1,088,317</u>

School Food Service Fund:

State aid	1,633
Federal aid	<u>93,213</u>
	<u>94,846</u>

Total	\$ <u>3,174,706</u>
-------	---------------------

CORNWALL CENTRAL SCHOOL DISTRICT
Notes to Financial Statements, Continued

(7) Capital Assets

Capital asset balances and activity for the year ended June 30, 2025, were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirement/ Reclassifications</u>	<u>Ending Balance</u>
Capital assets that are not depreciated:				
Land	\$ 1,776,500	-	-	1,776,500
Construction in progress	<u>7,304,368</u>	<u>8,343,256</u>	<u>(2,018,918)</u>	<u>13,628,706</u>
Total nondepreciable assets	<u>9,080,868</u>	<u>8,343,256</u>	<u>(2,018,918)</u>	<u>15,405,206</u>
Capital assets that are depreciated:				
Land improvements	1,371,571	-	-	1,371,571
Buildings and improvements	67,005,243	-	2,018,918	69,024,161
Furniture and equipment	<u>2,563,977</u>	<u>170,656</u>	<u>(29,309)</u>	<u>2,705,324</u>
Total depreciable assets	<u>70,940,791</u>	<u>170,656</u>	<u>1,989,609</u>	<u>73,101,056</u>
Less accumulated depreciation	<u>(36,144,069)</u>	<u>(1,891,466)</u>	<u>29,309</u>	<u>(38,006,226)</u>
Capital assets, net	\$ <u>43,877,590</u>	<u>6,622,466</u>	<u>-</u>	<u>50,500,036</u>

Depreciation expense was charged to governmental functions as follows:

General support	\$ 283,720
Instructional	1,551,002
School lunch program	<u>56,744</u>
Total depreciation	\$ <u>1,891,466</u>

(8) Short-Term Debt

Transactions in short-term debt for the year ended June 30, 2025 are summarized below:

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
BAN	6/18/2025	4.50%	\$ 12,000,000	-	12,000,000	-
BAN	6/17/2026	4.50%	<u>-</u>	<u>17,944,338</u>	<u>-</u>	<u>17,944,338</u>
			\$ <u>12,000,000</u>	<u>17,944,338</u>	<u>12,000,000</u>	<u>17,944,338</u>

CORNWALL CENTRAL SCHOOL DISTRICT
Notes to Financial Statements, Continued

(9) Long-Term Liabilities

Long-term liability balances and activity for the year ended June 30, 2025 are summarized below:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Paid/ Redeemed</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Long-term liabilities:					
Bonds payable	\$ 14,620,000	-	(2,140,000)	12,480,000	2,245,000
Bond premiums	1,484,543	-	(280,543)	1,204,000	280,544
Installment purchase debt	2,186,776	-	(331,995)	1,854,781	349,390
Compensated absences	1,383,843	-	(451,851)	931,992	103,437
Total OPEB liability	125,367,894	14,184,369	-	139,552,263	-
Net pension liability (asset)					
proportionate share - TRS	2,105,001	-	(7,515,803)	(5,410,802)	-
Net pension liability proportionate share - ERS	<u>2,391,174</u>	<u>110,500</u>	<u>-</u>	<u>2,501,674</u>	<u>-</u>
Total long-term liabilities	\$ <u>149,539,231</u>	<u>14,294,869</u>	<u>(10,720,192)</u>	<u>153,113,908</u>	<u>2,978,371</u>

The general fund has typically been used to liquidate long-term liabilities such as compensated absences.

During the year ended June 30, 2023, the District was the issuer of \$16,675,000 in General Obligations Bonds, plus a premium of \$2,019,563. Proceeds of the bond was used for the advanced refunding of the high school refunding bond from 2012. As a result, the bonds are considered defeased, and the liability for these bonds have been removed from the financial statements. The accounting loss on this refunding of \$244,854 will be recognized over the term of the new debt. The balance of the defeased debt was \$13,490,000.

The District issues general obligation bonds to provide funds for construction renovation and improvement of capital facilities. The following is a summary of outstanding bonds and installment purchase obligations as of June 30, 2025:

<u>Description of Issue</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance</u>
School district refunding	08/11/22	10/15/29	3.00% - 5.00%	\$ 12,480,000
Energy performance note	04/30/15	05/01/30	5.01%	<u>1,854,781</u>
				\$ <u>14,334,781</u>

Upon default of the payment of principal or interest on the serial bonds of the District, the bondholders 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 to the District, and to apply the amount so withheld to the payment of defaulted principal and interest with respect to the serial bonds.

CORNWALL CENTRAL SCHOOL DISTRICT
Notes to Financial Statements, Continued

(9) Long-Term Liabilities, Continued

The following is a summary of maturing debt service requirements:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 2,594,390	649,150
2027	2,736,506	516,659
2028	2,879,460	377,080
2029	3,028,294	230,246
2030	<u>3,096,131</u>	<u>76,383</u>
Total	\$ <u>14,334,781</u>	<u>1,849,518</u>

Interest on long-term debt for the year ended June 30, 2025 was composed of:

Interest paid	\$ 1,317,386
Less interest accrued in the prior year	(160,726)
Less amortization of bond premiums	(280,543)
Plus interest accrued in the current year	136,734
Plus amortization of deferred amounts on refunding	<u>46,653</u>
Total interest expense	\$ <u>1,059,504</u>

(10) Pension Plans

(a) Plan Descriptions and Benefits Provided

Teachers' Retirement System (TRS)

The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. TRS 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. TRS is governed by a 10 member Board of Trustees. Benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in TRS, 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 TRS, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, New York 12211-2395 or by referring to the NYSSTR Annual Comprehensive Financial report which can be found on TRS's website at www.nystrs.org.

CORNWALL CENTRAL SCHOOL DISTRICT

Notes to Financial Statements, Continued

(10) Pension Plans, Continued

(a) Plan Descriptions and Benefits Provided, Continued

Employees' Retirement System (ERS)

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

The systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3% to 5% of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale.

For ERS, the Comptroller annual certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS' fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education law.

(b) Pension Asset/Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pensions

At June 30, 2025, the District reported the following asset/liability for its proportionate share of TRS and ERS. The net pension asset/liability were measured as of March 31, 2025 for ERS and June 30, 2024 for TRS. The total pension asset/liability used to calculate the respective net pension asset/liability was determined by an actuarial valuation. The District's proportion of the respective net pension asset/liability was based on a projection of the District's long-term share of contributions to TRS and ERS relative to the projected contributions of all participating members, actuarially determined. This information was provided by ERS and TRS in reports provided to the District.

CORNWALL CENTRAL SCHOOL DISTRICT
Notes to Financial Statements, Continued

(10) Pension Plans, Continued

(b) Pension Asset/Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pensions, Continued

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2025	June 30, 2024
Actuarial valuation date	April 1, 2024	June 30, 2023
Net pension asset (liability)	\$ (2,501,674)	5,410,802
District's proportion of the Plan's net pension asset (liability)	0.0145907%	0.181351%
Change in proportionate share	(0.001649)	(0.002719)

For the year ended June 30, 2025, the District's recognized pension expense of \$663,288 for ERS and \$2,955,063 for TRS in the statement of activities. At June 30, 2025 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 620,932	5,826,440	29,290	-
Changes of assumptions	104,915	3,236,756	-	544,453
Net difference between projected and actual investment earnings on pension plan investments	196,274	-	-	6,011,862
Changes in proportion and differences between the District's contributions and proportionate share of contributions	305,677	134,224	172,966	265,161
District's contributions subsequent to the measurement date	<u>260,557</u>	<u>3,604,963</u>	<u>-</u>	<u>-</u>
Total	\$ <u>1,488,355</u>	<u>12,802,383</u>	<u>202,256</u>	<u>6,821,476</u>

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liabilities in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as follows:

CORNWALL CENTRAL SCHOOL DISTRICT
Notes to Financial Statements, Continued

(10) Pension Plans, Continued

(b) Pension Asset/Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pensions, Continued

<u>Year ending</u>	<u>ERS</u>	<u>TRS</u>
2026	\$ 503,030	(2,811,558)
2027	681,250	6,570,113
2028	(185,457)	(1,117,340)
2029	26,719	(1,240,068)
2030	-	691,035
Thereafter	<u>-</u>	<u>283,762</u>
	\$ <u>1,025,542</u>	<u>2,375,944</u>

(c) Actuarial Assumptions

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2025	June 30, 2024
Actuarial valuation date	April 1, 2024	June 30, 2023
Investment rate of return (net of investment expense, including inflation)	5.90%	6.95%
Salary scale	4.30%	1.95% - 5.18%
Cost of living adjustments	1.50%	1.30%
Inflation rate	2.90%	2.40%

For ERS, demographic assumptions used in the April 1, 2024 actuarial valuation are based on the results of an actuarial experience study completed April 1, 2020. Demographic assumptions are primarily based on System experience over the period April 1, 2015 - March 31, 2020. Annuitant mortality rates are adjusted to incorporate mortality improvements under the Society of Actuaries' Scale MP-2021. For TRS, annuitant and active 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. The demographic actuarial assumptions and the salary scale are based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020. TRS runs one-year and five-year experience studies annually in order to gauge the appropriateness of the assumptions.

CORNWALL CENTRAL SCHOOL DISTRICT
Notes to Financial Statements, Continued

(10) Pension Plans, Continued

(c) Actuarial Assumptions, Continued

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

The long-term expected real rates of return are presented by asset allocation classification. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of the measurement date are summarized in the following table:

<u>Asset class</u>	<u>ERS</u>		<u>TRS</u>	
	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>
Domestic equity	25%	3.54%	33%	6.60%
International equity	14%	6.57%	15%	7.40%
Real estate equity	-	-	11%	6.30%
Global equity	-	-	4%	6.90%
Domestic fixed income	-	-	16%	2.60%
Global bonds	-	-	2%	2.50%
High-yield bonds	-	-	1%	4.80%
Real estate debt	-	-	6%	3.90%
Real estate	12%	4.95%	-	-
Private equity	15%	7.25%	9%	10.00%
Private debt	-	-	2%	5.90%
Real assets	4%	5.55%	-	-
Fixed income	22%	2.00%	-	-
Opportunistic/ARS portfolio	3%	5.25%	-	-
Credit	4%	5.40%	-	-
Cash and equivalents	<u>1%</u>	0.25%	<u>1%</u>	0.50%
	<u>100%</u>		<u>100%</u>	

* For ERS, the real rates of return are net of a long-term inflation assumption of 2.9%. For TRS, the real rates of return are net of pension plan investment expenses and long-term inflation expectations.

CORNWALL CENTRAL SCHOOL DISTRICT
Notes to Financial Statements, Continued

(10) Pension Plans, Continued

(d) Discount Rate

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

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

The following presents the District's proportionate share of the ERS and TRS net pension asset/liability calculated using the discount rates referred to above, 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 or 1-percentage point higher than the current discount rates referred to above:

ERS	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension asset (liability)	\$ (7,240,158)	(2,501,674)	1,454,964
TRS	1% Decrease (5.95%)	Current Discount (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension asset (liability)	\$ (24,992,805)	5,410,802	30,981,051

(f) Pension Plan Fiduciary Net Position

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

	(Dollars in Millions)	
	ERS	TRS
Measurement date	March 31, 2025	June 30, 2024
Employers' total pension liability	\$ (247,600)	(142,838)
Plan net position	230,454	145,821
Employers' net pension asset (liability)	\$ (17,146)	2,983
Ratio of plan net position to the employers' total pension liability	93.08%	102.10%

CORNWALL CENTRAL SCHOOL DISTRICT
Notes to Financial Statements, Continued

(10) Pension Plans, Continued

(g) Contributions to the Pension Plans

ERS employer contributions are paid annually based on the system's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2025 represent the projected employer contribution for the period of April 1, 2025 through June 30, 2025 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2025 amounted to \$260,557. This amount has been recorded as a liability in the governmental fund statements and in the statement of net position. Retirement contributions paid to ERS for the year ended June 30, 2025 were \$942,897.

TRS employer and employee contributions for the year ended June 30, 2025 are paid to the TRS in September, October and November 2025 through a state aid intercept. Accrued retirement contributions as of June 30, 2025 represent employee and employer contributions for the fiscal year ended June 30, 2025 based on paid TRS wages multiplied by the employer's contribution rate, by tier, and employee contributions for the fiscal year as reported to the TRS system. Accrued retirement contributions to TRS as of June 30, 2025 amounted to \$4,141,353, including employees' share. The accrued contributions have been recorded as a liability in the governmental fund statements and in the statement of net position. Retirement contributions paid to TRS for the year ended June 30, 2025 were \$3,604,963.

(11) Other Postemployment Benefits

(a) General Information about the OPEB Plan

Plan Description - The District's defined benefit OPEB plan (the District's OPEB plan), provides OPEB for eligible retired employees, their spouses and their dependent children. The District's OPEB plan is a single-employer defined benefit OPEB plan administered by the District based on employment contracts. As these employment contracts are renegotiated, eligibility and benefits may change over time. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided - The District's OPEB plan subsidizes the cost of healthcare eligible retired employees, their spouses and their dependent children. They are eligible for lifetime postretirement benefits if the employee has worked for the District for at least five years and is 55 years of age or older. The District reimburses the cost of Medicare Part B premiums to both retirees and covered spouses. Surviving spouses do not receive any reimbursement.

The District contributes 75% of the cost of health insurance for qualified retirees and 50% of the cost of their dependents. The method used for this calculation is 75% of single coverage and 50% of the difference between single and family coverage.

Upon the death of the retiree, surviving spouses will contribute 100% of the cost of the blended premium.

CORNWALL CENTRAL SCHOOL DISTRICT
Notes to Financial Statements, Continued

(11) Other Postemployment Benefits, Continued

(a) General Information about the OPEB Plan, Continued

Employees Covered by Benefit Terms - At the July 1, 2024 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	381
Active employees	<u>432</u>
Total employees covered by benefit terms	<u>813</u>

(b) Total OPEB Liability

The District's total OPEB liability of \$139,552,263 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2024.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases	4.00%
Discount Rate	3.93%
Healthcare Cost Trend Rates	Pre-65: 8.92% for 2024, decreasing to an ultimate rate of 4.50% for 2033 and later years Post-65: 10.35% for 2024, decreasing to an ultimate rate of 4.50% for 2033 and later years
Retirees' Share of Benefit Related Costs	Retirees pay 25% of the cost of single coverage and 50% of the difference between single and family coverage. Surviving spouse pay 100% of the cost of the blended premium.

The discount rate was based on a review of the yield derived from the Bond Buyer 20 General Obligation Index as of the measurement date.

Mortality rates were based on the PUB-2016 Headcount Weighted Mortality Table projected generationally with scale MP-2021.

Balance at June 30, 2024	\$ <u>125,367,894</u>
Changes for the year:	
Service cost	5,702,401
Interest	4,737,672
Changes of assumptions	8,335,236
Differences between expected and actual experience	(2,025,812)
Benefit payments	<u>(2,565,128)</u>
Net changes	<u>14,184,369</u>
Balance at June 30, 2025	\$ <u>139,552,263</u>

CORNWALL CENTRAL SCHOOL DISTRICT
Notes to Financial Statements, Continued

(11) Other Postemployment Benefits, Continued

(b) Total OPEB Liability, Continued

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 or 1-percentage point higher than the current discount rate:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB Liability	\$ <u>164,743,939</u>	<u>139,552,263</u>	<u>119,471,101</u>

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 healthcare cost trend rate:

	1% Decrease	Current Health Care Cost Trend Rates	1% Increase
Total OPEB Liability	\$ <u>117,216,593</u>	<u>139,552,263</u>	<u>168,413,134</u>

(c) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the District recognized OPEB expense of \$8,281,854. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ 1,144,481	1,764,992
Changes of assumption or other inputs	16,456,522	21,081,191
District's contributions subsequent to the measurement date	<u>2,765,997</u>	<u>-</u>
Total	\$ <u>20,367,000</u>	<u>22,846,183</u>

District contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

CORNWALL CENTRAL SCHOOL DISTRICT
Notes to Financial Statements, Continued

(11) Other Postemployment Benefits, Continued

(c) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to OPEB, Continued

<u>Year ending June 30,</u>	<u>Amount</u>
2026	\$ (881,248)
2027	(58,827)
2028	(931,731)
2029	(2,706,002)
2030	(1,696,974)
Thereafter	<u>1,029,602</u>
	\$ <u>(5,245,180)</u>

(12) Interfund Transactions - Governmental Funds

Interfund receivables and payables are short-term in nature and exist because of temporary advances or payments made on behalf of other funds. Interfund receivables, payables and transfers of the District as of and for the year ended June 30, 2025 consisted of the following:

	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 2,722,386	579,416	-	1,160,416
Special Aid Fund	510,514	2,628,927	510,514	-
School Food Service Fund	18,902	90,459	18,902	-
Capital Projects Fund	50,000	247,452	631,000	-
Debt Service Fund	247,452	-	-	-
Miscellaneous Funds	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>-</u>
Totals	\$ <u>3,549,254</u>	<u>3,549,254</u>	<u>1,160,416</u>	<u>1,160,416</u>

The District typically transfers from the general fund to the capital projects fund, to finance capital construction projects. The District typically transfers from the general fund to the special aid fund to fund the District's 20% share of summer school handicap expenses required by state law.

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

(13) Risk Management

(a) General

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

CORNWALL CENTRAL SCHOOL DISTRICT
Notes to Financial Statements, Continued

(13) Risk Management, Continued

(b) Consortiums

The District participates in Orange/Ulster School District Health Insurance Plan, a non-risk-retained public entity risk pool for its employee health and accident insurance coverage. The pool is operated for the benefit of multiple individual governmental units located within the pool's geographic area, and is considered a self-sustaining risk pool. The District has essentially transferred all related risk to the pool.

The District participates with 17 other school districts, Orange/Ulster BOCES and Ulster BOCES in the Orange/Ulster School District Workers Compensation Self-Insurance Plan, a risk-sharing pool, to insure workers' compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law, to finance liability and risks related to workers' compensation claims. Entities joining the plan must remain members for a minimum of five years; a member may withdraw from the plan after that time by providing 180 days written notice. Plan members are subject to a supplemental assessment in the event of deficiencies. If the plan's assets were to be exhausted, members would be responsible for the plan's liabilities.

The most recently issued report for workers' compensation is for June 30, 2024. As of June 30, 2024, the Plans' total liabilities for unpaid claims and claim adjustment expenses was \$30,968,839. The total plan assets were \$52,596,817. During the year ended June 30, 2025, the District's contribution to the Plan was \$241,810. Based on the workers' compensation report, the District's portion is undeterminable and is considered immaterial.

(14) Certain Risk Disclosures

(a) Concentration - Workforce Covered by Collective Bargaining Agreements

The District's workforce has collective bargaining agreements which dictate employment terms including payroll and related expenditures as well as benefits. The following is the District's significant expiring collective bargaining agreement:

<u>Collective bargaining unit</u>	<u>Expiration date</u>
CSEA, Local 1000 AFSCME, AFL-CIO	June 30, 2026

Other collective bargaining agreements are maintained by the District and available upon request.

(b) Constraints

(i) Limitations on Raising Revenue

The District's ability to raise revenue through property taxes is subject to Article VIII of the New York State Constitution and the Real Property Tax Law, including the property tax levy limit (tax cap) imposed by Chapter 97 of the Laws of 2011. The annual increase in the property tax levy cannot exceed the lesser of 2% or change in the consumer price index, unless approved by a 60% supermajority of the taxpayers.

CORNWALL CENTRAL SCHOOL DISTRICT

Notes to Financial Statements, Continued

(14) Certain Risk Disclosures, Continued

(b) Constraints, Continued

(ii) Limitations on Spending

Expenditures must be authorized in accordance with the annual budget adopted by the District, pursuant to New York State General Municipal Law (GML) and local charter provisions. The District may not incur expenditures in excess of appropriations, except for legally authorized emergency expenditures.

(iii) Limitations on the Incurrence of Debt

The District is subject to a constitutional debt limit, which is 10% of the full value on the most recent tax roll. The debt limit may be exceeded if authorized by 60% of the voters and approved by the Board of Regents and the New York State Comptroller. All borrowings must be approved by a majority vote of the District's residents at a public referendum.

(15) Commitments and Contingencies

(a) Grants

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

(b) Litigation

The District is involved in various claims and lawsuits arising from the normal course of business. Management believes that any financial responsibility that may be incurred in settlement of such claims and lawsuits would not be material to the District's financial statements.

(16) Subsequent Events

Management has evaluated subsequent events through the date of the report, which is the date the financial statements were available to be issued.

(17) Accounting Standards Issued But Not Yet Implemented

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

CORNWALL CENTRAL SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of Revenue, Expenditures and Changes in Fund Balance -
 Budget and Actual - General Fund
 Year ended June 30, 2025

	Original <u>Budget</u>	Final <u>Budget</u>	Actual (Budgetary Basis)	Final Budget Variance With Budgetary <u>Actual</u>
Revenue:				
Real property taxes	\$50,450,838	50,450,838	50,450,160	(678)
Other tax items - including STAR reimbursement	2,140,111	2,140,111	2,137,359	(2,752)
Charges for services	113,479	113,479	219,908	106,429
Use of money and property	879,131	879,131	1,482,937	603,806
Sale of property and compensation for loss	-	-	747	747
Miscellaneous	190,000	190,000	550,800	360,800
State sources	33,612,320	33,649,796	34,088,719	438,923
Federal sources	<u>50,000</u>	<u>50,000</u>	<u>154,282</u>	<u>104,282</u>
Total revenue	<u>\$87,435,879</u>	<u>87,473,355</u>	<u>89,084,912</u>	<u>1,611,557</u>

(Continued)

CORNWALL CENTRAL SCHOOL DISTRICT
Required Supplementary Information
Schedule of Revenue, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund, Continued

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-End Encumbrances	Variance With Budgetary Actual and Encumbrances
Expenditures:					
General support:					
Board of education	\$ 82,885	81,972	68,082	92	13,798
Central administration	408,400	406,860	414,823	-	(7,963)
Finance	776,374	790,603	793,835	-	(3,232)
Staff	620,383	765,748	635,468	121,503	8,777
Central services	7,230,555	7,682,825	6,434,114	818,805	429,906
Special items	1,472,864	1,482,254	1,509,017	-	(26,763)
Instructional:					
Instruction, administration	2,853,887	2,889,015	2,769,609	11,360	108,046
Teaching - regular school	24,237,626	24,097,711	23,297,265	28,427	772,019
Programs for children with handicapping conditions	11,908,654	12,053,847	11,414,296	388,545	251,006
Occupational education	1,551,120	1,551,120	1,486,490	-	64,630
Teaching - special schools	62,915	62,915	8,730	-	54,185
Instructional media	3,025,295	3,104,683	2,774,524	34,413	295,746
Pupil services	4,841,915	4,947,669	4,725,344	4,688	217,637
Pupil transportation	6,016,565	6,018,507	5,591,840	27,226	399,441
Community services	24,200	24,200	24,200	-	-
Employee benefits	20,169,019	20,157,687	19,266,495	-	891,192
Debt service - principal	2,526,072	2,526,072	2,521,995	-	4,077
Debt service - interest	1,283,187	1,283,187	1,317,386	-	(34,199)
Total expenditures	89,091,916	89,926,875	85,053,513	1,435,059	3,438,303
Other financing uses - operating transfers out	1,168,857	1,173,047	1,160,416	-	12,631
Total expenditures and other financing uses	90,260,773	91,099,922	86,213,929	1,435,059	3,450,934
Net change in fund balance	<u>\$ (2,824,894)</u>	<u>(3,626,567)</u>	2,870,983		
Fund balance at beginning of year			18,068,116		
Fund balance at end of year			<u>\$ 20,939,099</u>		

Budget Basis of Accounting

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

CORNWALL CENTRAL SCHOOL DISTRICT
Required Supplementary Information
Schedule of Changes in the District's
Total OPEB Liability and Related Ratios
Year ended June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability								
Service cost	\$ 5,702,401	5,662,992	7,692,426	6,653,338	4,896,935	4,262,042	4,084,407	4,913,950
Interest	4,737,672	4,408,213	3,174,307	2,950,202	3,820,399	3,712,119	3,449,701	2,982,018
Changes of assumptions	8,335,236	(2,268,576)	(29,817,510)	4,932,094	14,936,413	6,315,917	(6,830,073)	(13,648,710)
Difference between expected and actual experience	(2,025,812)	(18,565)	898,621	71,546	1,374,128	(13,853)	478,132	-
Benefit payments	<u>(2,565,128)</u>	<u>(2,535,883)</u>	<u>(2,177,154)</u>	<u>(2,184,299)</u>	<u>(2,078,225)</u>	<u>(1,898,116)</u>	<u>(1,704,492)</u>	<u>(1,677,865)</u>
Net change in total OPEB liability	14,184,369	5,248,181	(20,229,310)	12,422,881	22,949,650	12,378,109	(522,325)	(7,430,607)
Total OPEB liability - beginning	<u>125,367,894</u>	<u>120,119,713</u>	<u>140,349,023</u>	<u>127,926,142</u>	<u>104,976,492</u>	<u>92,598,383</u>	<u>93,120,708</u>	<u>100,551,315</u>
Total OPEB liability - ending	<u>\$139,552,263</u>	<u>125,367,894</u>	<u>120,119,713</u>	<u>140,349,023</u>	<u>127,926,142</u>	<u>104,976,492</u>	<u>92,598,383</u>	<u>93,120,708</u>
Covered payroll	\$ 38,826,241	39,508,210	38,052,227	37,887,040	36,107,727	33,984,959	32,747,113	31,509,267
Total OPEB liability as a percentage of covered payroll	359.43%	317.32%	315.67%	370.44%	354.29%	308.89%	282.77%	295.53%

Notes to schedule:

Changes of assumptions - Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rate used in each period:

<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
3.93%	3.65%	3.54%	2.16%	2.21%	3.51%	3.87%	3.58%

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

There are no assets accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4.

CORNWALL CENTRAL SCHOOL DISTRICT
Required Supplementary Information
Schedule of District's Proportionate Share of the Net Pension Asset/Liability
Year ended June 30, 2025

<u>TRS System - Asset (Liability)</u>	<u>2025</u>	<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>
The District's proportion of the net pension asset (liability)	0.181351%	0.184070%	0.179829%	0.179858%	0.177367%	0.173549%	0.176754%	0.178511%	0.176887%	0.176467%
The District's proportionate share of the net pension asset (liability)	\$ 5,410,802	(2,105,001)	(3,450,717)	31,167,589	(4,901,122)	4,508,807	3,196,186	1,356,865	(18,994,530)	18,329,335
The District's covered payroll	\$ 35,657,399	34,658,432	34,016,598	31,867,135	30,552,592	28,968,101	28,791,306	28,288,191	27,295,393	26,507,792
The District's proportionate share of the net pension asset/liability as a percentage of covered payroll	15.17%	6.07%	10.14%	97.80%	16.04%	15.56%	11.10%	4.80%	69.59%	69.15%
Plan fiduciary net position as a percentage of the total pension asset/liability	102.10%	99.17%	98.57%	113.20%	97.80%	102.17%	101.25%	100.66%	99.01%	110.46%
<u>ERS System - Asset (Liability)</u>										
The District's proportion of the net pension asset (liability)	0.0145907%	0.0162399%	0.0162883%	0.0168352%	0.0160399%	0.0150979%	0.0156549%	0.0158077%	0.0157634%	0.0160555%
The District's proportionate share of the net pension asset (liability)	\$ (2,501,674)	(2,391,174)	(3,492,878)	1,376,206	(15,972)	(3,998,012)	(1,109,197)	(510,185)	(1,481,161)	(2,576,951)
The District's covered payroll	\$ 6,577,269	6,181,344	5,944,241	5,612,823	5,496,089	5,387,986	5,147,400	4,990,555	4,827,988	4,501,460
The District's proportionate share of the net pension asset/liability as a percentage of covered payroll	38.04%	38.68%	58.76%	24.52%	0.29%	74.20%	21.55%	10.22%	30.68%	57.25%
Plan fiduciary net position as a percentage of the total pension asset/liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%

CORNWALL CENTRAL SCHOOL DISTRICT
Required Supplementary Information
Schedule of District's Pension Contributions
Year ended June 30, 2025

<u>TRS System</u>	<u>2025</u>	<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>
Contractually required contribution	\$ 3,604,963	3,382,663	3,500,308	3,122,979	2,911,662	3,076,412	2,821,548	3,315,376	3,619,369	4,646,816
Contribution in relation to the contractually required contribution	<u>3,604,963</u>	<u>3,382,663</u>	<u>3,500,308</u>	<u>3,122,979</u>	<u>2,911,662</u>	<u>3,076,412</u>	<u>2,821,548</u>	<u>3,315,376</u>	<u>3,619,369</u>	<u>4,646,816</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	<u>\$ 35,657,399</u>	<u>34,658,432</u>	<u>34,016,598</u>	<u>31,867,135</u>	<u>30,552,592</u>	<u>28,968,101</u>	<u>28,791,306</u>	<u>28,288,191</u>	<u>27,295,393</u>	<u>26,507,792</u>
Contribution as a percentage of covered payroll	10.11%	9.76%	10.29%	9.80%	9.53%	10.62%	9.80%	11.72%	13.26%	17.53%
 <u>ERS System</u>										
Contractually required contribution	\$ 942,897	801,304	593,399	728,864	789,895	740,373	739,369	730,751	702,346	835,743
Contribution in relation to the contractually required contribution	<u>942,897</u>	<u>801,304</u>	<u>593,399</u>	<u>728,864</u>	<u>789,895</u>	<u>740,373</u>	<u>739,369</u>	<u>730,751</u>	<u>702,346</u>	<u>835,743</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	<u>\$ 6,577,269</u>	<u>6,181,344</u>	<u>5,944,241</u>	<u>5,612,823</u>	<u>5,496,089</u>	<u>5,387,986</u>	<u>5,147,400</u>	<u>4,990,555</u>	<u>4,827,988</u>	<u>4,501,460</u>
Contribution as a percentage of covered payroll	14.34%	12.96%	9.98%	12.99%	14.37%	13.74%	14.36%	14.64%	14.55%	18.57%

OTHER SUPPLEMENTARY INFORMATION

CORNWALL CENTRAL SCHOOL DISTRICT
 Other Supplementary Information
 Schedule of Change from Adopted Budget to Final Budget and
 the Real Property Tax Law Limit - General Fund
 Year ended June 30, 2025

Change from adopted budget to final budget:

Original budget	\$ 90,260,773
Add prior year's encumbrances	980,167
Add budget revisions	<u>(141,018)</u>
Final budget	<u>\$ 91,099,922</u>

Section 1318 of Real Property Tax Law Limit Calculation

2025-2026 expenditure budget	<u>\$ 92,986,803</u>
------------------------------	----------------------

Maximum allowed 4% of 2025-2026 budget	<u>\$ 3,719,472</u>
--	---------------------

General fund fund balance subject to Section 1318 of

Real Property Tax Law*:

Unrestricted fund balance:

Encumbrances	\$ 1,435,059
Appropriated fund balance	2,489,604
Unassigned fund balance	<u>3,292,898</u>

Total unrestricted fund balance	7,217,561
---------------------------------	-----------

Less:

Encumbrances	1,435,059
Appropriated fund balance	<u>2,489,604</u>

Total adjustments	<u>3,924,663</u>
-------------------	------------------

General fund fund balance subject to Section 1318 of Real Property Tax Law	<u>\$ 3,292,898</u>
---	---------------------

Actual percentage	3.54%
-------------------	-------

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

CORNWALL CENTRAL SCHOOL DISTRICT
Other Supplementary Information
Schedule of Project Expenditures - Capital Projects Fund
June 30, 2025

Project Title	Expenditures and Obligations to Date						Methods of Financing				Fund
	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	State Sources	Local Sources	Total	Balance 6/30/2025
Smart Schools Bond Act	\$ 1,157,616	1,157,616	599,942	231,826	831,768	325,848	-	1,009,576	421,404	1,430,980	599,212
High School Cooling Tower Project	750,000	983,139	950,267	70,671	1,020,938	(37,799)	-	-	758,423	758,423	(262,515)
District-Wide Project, 21-22	22,994,338	22,994,338	5,788,495	7,927,331	13,715,826	9,278,512	-	-	5,698,502	5,698,502	(8,017,324)
Backflow Preventers	30,000	30,000	-	-	-	30,000	-	-	30,000	30,000	30,000
Middle School Air Conditioning Project	1,210,000	1,210,000	929,641	87,539	1,017,180	192,820	-	-	1,210,000	1,210,000	192,820
Classroom/Office/Corridor Door Replacement Project	600,000	600,000	-	-	-	600,000	-	-	600,000	600,000	600,000
School Buildings Security Vestibule Project	360,525	360,525	-	226,045	226,045	134,480	-	-	360,525	360,525	134,480
District-Wide Project	25,000,000	25,000,000	-	24,900	24,900	24,975,100	-	-	-	-	(24,900)
Middle School Family and Consumer Science	31,000	31,000	-	6,770	6,770	24,230	-	-	31,000	31,000	24,230
Door Restoration	1,200,000	1,200,000	-	-	-	1,200,000	-	-	600,000	600,000	600,000
Total	\$ 53,333,479	53,566,618	8,268,345	8,575,082	16,843,427	36,723,191	-	1,009,576	9,709,854	10,719,430	(6,123,997)

CORNWALL CENTRAL SCHOOL DISTRICT
Other Supplementary Information
Net Investment in Capital Assets
June 30, 2025

Capital assets, net		\$ 50,500,036
Add:		
Deferred amount on refunding	\$ 200,221	
Unspent debt proceeds	<u>13,308,618</u>	13,508,839
Deduct:		
Capital projects related accounts payable	1,290,825	
Bond anticipation note payable	17,944,338	
Short-term portion of bonds payable	2,245,000	
Long-term portion of bonds payable	10,235,000	
Short-term portion of unamortized bond premium	280,544	
Long-term portion of unamortized bond premium	923,456	
Short-term portion of installment purchase debt	349,390	
Long-term portion of installment purchase debt	<u>1,505,391</u>	<u>34,773,944</u>
Net investment in capital assets		<u>\$ 29,234,931</u>

INDEPENDENT AUDITORS' 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

The Board of Education
Cornwall Central School District
Cornwall, New York:

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 aggregate remaining fund information of Cornwall Central School District (the District), as of and for the year ended June 30, 2025, 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 8, 2025.

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 the 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.

EFPR Group, CPAs, PLLC

Williamsville, New York
October 8, 2025

CORNWALL CENTRAL SCHOOL DISTRICT

Extraclassroom Activity Funds and
Independent Auditors' Report

June 30, 2025

CORNWALL CENTRAL SCHOOL DISTRICT
Extraclassroom Activity Funds

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1 - 2
Statements of Cash Receipts, Cash Disbursements and Cash Balances	3 - 6
Note to Financial Statements	7

* * * * *

INDEPENDENT AUDITORS' REPORT

The Board of Education
Cornwall Central School District
Cornwall, New York:

Opinion

We have audited the accompanying statement of cash receipts, cash disbursements and cash balances of the Cornwall Central School District (the District), as of and for the year ended June 30, 2025, and the related note to financial statement.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts, cash disbursements and cash balances of the District, as of and for the year ended June 30, 2025, in accordance with the cash basis of accounting described in note 1(b).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statement 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 opinion.

Emphasis of Matter - Basis of Accounting

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

Responsibilities of Management for the Financial Statement

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

Auditors' Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 statement.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 statement.
- 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.

EFPR Group, CPAs, PLLC

Williamsville, New York
October 8, 2025

CORNWALL CENTRAL SCHOOL DISTRICT
 Extraclassroom Activity Funds - All Locations
 Statement of Cash Receipts, Cash Disbursements and Cash Balances
 Year ended June 30, 2025

<u>Location</u>	Cash Balances at <u>July 1, 2024</u>	Cash Receipts and Transfers	Cash Disbursements and Transfers	Cash Balances at <u>June 30, 2025</u>
Cornwall High School	\$ 95,087	185,460	197,571	82,976
Cornwall Middle School	33,714	28,726	21,315	41,125
Cornwall Athletic Activities	<u>74,200</u>	<u>296,616</u>	<u>247,818</u>	<u>122,998</u>
Total - all locations	<u>\$ 203,001</u>	<u>510,802</u>	<u>466,704</u>	<u>247,099</u>

See accompanying note to financial statements.

CORNWALL CENTRAL SCHOOL DISTRICT
 Cornwall High School
 Extraclassroom Activity Funds
 Statement of Cash Receipts, Cash Disbursements and Cash Balances, Continued

<u>Extraclassroom Account</u>	Cash Balances at July 1, 2024	Cash Receipts and Transfers	Cash Disbursements and Transfers	Cash Balances at June 30, 2025
Art Club	\$ 538	240	309	469
Best Buddies	-	270	-	270
CBI	-	1,195	595	600
Class of 2024	344	-	344	-
Class of 2025	2,451	27,277	29,230	498
Class of 2026	1,687	17,983	16,890	2,780
Class of 2027	1,348	1,383	1,000	1,731
Class of 2028	-	1,248	54	1,194
Concert Choir	3,576	11,247	12,083	2,740
Dance Team	-	2,826	2,120	706
Drama Club	39,408	79,305	85,334	33,379
Environmental Club	1,294	924	1,111	1,107
Foreign Language Club	502	2,017	1,928	591
GSA	214	24	45	193
High School Band	1,267	899	938	1,228
HOSA	111	-	-	111
Key Club	425	2,131	1,692	864
Model UN	-	81	-	81
Morgans Message	219	411	-	630
National Honor Society	8,424	8,578	8,020	8,982
Orchestra	742	635	879	498
School Store	2,031	5,694	6,731	994
SSA	1,137	-	317	820
Student Government Organization	21,844	12,307	18,197	15,954
Writing Club	19	-	-	19
Yearbook	7,506	8,785	9,754	6,537
Total extraclassroom	\$ 95,087	185,460	197,571	82,976

See accompanying note to financial statements.

CORNWALL CENTRAL SCHOOL DISTRICT
 Cornwall Middle School
 Extraclassroom Activity Funds
 Statement of Cash Receipts, Cash Disbursements and Cash Balances, Continued

<u>Extraclassroom Account</u>	Cash Balances at <u>July 1, 2024</u>	Cash Receipts and Transfers	Cash Disbursements and Transfers	Cash Balances at <u>June 30, 2025</u>
5th/6th SAC	\$ 1,338	1,352	1,148	1,542
7th/8th SAC	1,420	6,154	5,813	1,761
Drama	18,115	17,813	14,094	21,834
Miscellaneous	348	208	-	556
PE	1,019	-	-	1,019
Student Sunshine	1,460	735	260	1,935
Yearbook	<u>10,014</u>	<u>2,464</u>	<u>-</u>	<u>12,478</u>
Total extraclassroom	<u>\$ 33,714</u>	<u>28,726</u>	<u>21,315</u>	<u>41,125</u>

See accompanying note to financial statements.

CORNWALL CENTRAL SCHOOL DISTRICT
 Cornwall Athletic Activities
 Extraclassroom Activity Funds
 Statement of Cash Receipts, Cash Disbursements and Cash Balances, Continued

<u>Extraclassroom Account</u>	Cash Balances at July 1, 2024	Cash Receipts and Transfers	Cash Disbursements and Transfers	Cash Balances at June 30, 2025
Baseball	\$ 11,901	23,447	25,238	10,110
Boys Basketball	1,975	8,539	6,563	3,951
Boys Lacrosse	2,202	1,577	-	3,779
Boys Soccer	372	172	340	204
Boys Swimming	12,859	6,860	14,468	5,251
Cheerleading	354	225	525	54
Football	-	10,825	7,772	3,053
General Athletics	1,262	136,130	130,279	7,113
Girls Basketball	4	15,695	6,758	8,941
Girls Lacrosse	6,117	3,594	1,155	8,556
Girls Soccer	243	7,469	-	7,712
Girls Swimming	-	8,187	2,988	5,199
Girls Tennis	354	2,390	1,210	1,534
Golf	425	205	266	364
Ski	4,260	7,386	6,036	5,610
Softball	2,553	16,059	4,739	13,873
Track	17,991	25,492	23,620	19,863
Varsity Club	74	506	165	415
Volleyball	1,936	14,433	8,658	7,711
Wrestling	9,318	7,425	7,038	9,705
Total extraclassroom	<u>\$ 74,200</u>	<u>296,616</u>	<u>247,818</u>	<u>122,998</u>

See accompanying note to financial statements.

CORNWALL CENTRAL SCHOOL DISTRICT
Extraclassroom Activity Funds
Note to Financial Statements
June 30, 2025

(1) Summary of Significant Accounting Policies

(a) Financial Reporting Entity

The extraclassroom activity funds represent funds of the students of the Cornwall Central School District (the District). Although the extraclassroom activity funds are independent of the District with respect to its financial transactions and the designation of student management, the District exercises general oversight of these funds. Based on this criterion, the extraclassroom activity funds are included in the District's reporting entity. The District reports these activities of the extraclassroom organizations in the miscellaneous special revenue fund in the governmental fund financial statements.

(b) Basis of Accounting

The accounts of the extraclassroom activity funds are maintained on a cash basis, and the statements of cash receipts, cash disbursements and cash balances reflect only cash received, disbursed and transferred between funds. Therefore, receivables and payables, inventory, long-lived assets, and accrued income and expenses, which would be recognized under accounting principles generally accepted in the United States of America, and which may be material in amount, are not recognized in the accompanying financial statements.