

CAMBRIDGE CENTRAL SCHOOL DISTRICT
FINANCIAL REPORT
JUNE 30, 2025

CAMBRIDGE CENTRAL SCHOOL DISTRICT

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BUSINESS
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INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of the
Cambridge Central School District

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the fiduciary funds of the Cambridge 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 as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the fiduciary fund of the Cambridge Central School 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Cambridge Central School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle and Error Correction

As noted in Note 17 to the financial statements, during the year ended June 30, 2025, the District adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Additionally, during the year ended June 30, 2025, the District had an appraisal performed over capital assets resulting in an error correction to a prior period. Our opinion is not modified with respect to these matters.

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 Cambridge Central School District ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-15, budgetary comparison information on pages 56-57, schedule of changes in total OPEB liability on page 58, schedules of proportionate share of net pension (liability) asset on page 59 and schedules of district contributions on page 60 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cambridge Central School District's basic financial statements. The supplementary information on pages 61-63, is presented for purposes of additional analysis and are not a required part of the basic financial statements. These supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information 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 2, 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 the District's internal control over financial reporting and compliance.

Mengel, Metzger, Bar & Co. LLP

Latham, NY
October 2, 2025

**Cambridge Central School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025**

The following is a discussion and analysis of Cambridge Central School District's financial performance for the fiscal 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 government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

- The District has continued to offer all programs and services while maintaining the maximum fund balances allowed by state law.
- The District's governmental funds revenues decreased by .74% as a result of decreased allocations for services, grants, and use of money.
- The District's governmental funds expenditures increased by .90% as a result of increases in general support, debt service, inflation, and employee benefits.
- The District experienced enrollment in the 2023-2024 school year of 778, which is a decrease of 41 students over the previous year.

FINANCIAL HIGHLIGHTS

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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.

Figure A-1 below 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.

Figure A-1 Major Features of the District-Wide and Fund Financial Statements

	<u>District-wide Statements</u>	<u>Governmental Funds Statements</u>	<u>Fiduciary Funds</u>
Scope	Entire District	The activities of the District that are not proprietary or fiduciary, such as regular and special education, transportation and building maintenance	Instances in which the District administers resources on behalf of someone else.
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenues, expenditures and changes in fund balances	• Statement of fiduciary net position • Statement of changes in in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focused
Type of asset/deferred outflows of resources/liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities and deferred inflows of resources (if any) both short-term and long-term; funds do not currently contain capital assets although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid.

District-Wide Statements

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

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

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

In the district-wide financial statements, the 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.

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

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

- Capitalize current outlays for capital and lease assets;
- Report long-term debt and leases as a liability;
- Depreciate capital assets and amortize lease assets;
- Calculate revenue and expense using the economic resources measurement focus and the accrual basis of accounting; and
- Allocate net position balances as follows:
 - 1) Net position invested in capital and lease assets, net of related debt;

- 2) Restricted net position are those with constraints placed on the use by external sources (creditors, grantors, contributors, or laws or regulations of governments) or imposed by law through constitutional provisions or enabling legislation; and
- 3) Unrestricted net position is net position that does not meet any of the above restrictions.

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 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).

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 at the bottom of the governmental funds 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 scholarship fund and the student activities 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 finance its operations.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Table 2 shows a two-year analysis of the District's net position.

Table 2: Condensed Statements of Net Position

	<u>Governmental Activities</u>		<u>Total Variance</u>
	<u>Restated</u>		
<u>ASSETS:</u>	<u>2025</u>	<u>2024</u>	
Current and Other Assets	\$ 17,503,691	\$ 6,840,041	\$ 10,663,650
Capital and Lease Assets	15,252,785	13,832,302	1,420,483
Total Assets	\$ 32,756,476	\$ 20,672,343	\$ 12,084,133
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred Outflows of Resources	\$ 16,785,078	\$ 6,323,133	\$ 10,461,945
<u>LIABILITIES:</u>			
Long-Term Debt Obligations	\$ 90,964,667	\$ 78,966,047	\$ 11,998,620
Other Liabilities	11,907,211	1,210,182	10,697,029
Total Liabilities	\$ 102,871,878	\$ 80,176,229	\$ 22,695,649
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferred Inflows of Resources	\$ 11,621,846	\$ 10,048,014	\$ 1,573,832
<u>NET POSITION:</u>			
Net Investment in Capital Assets	\$ (2,941,084)	\$ (6,859,999)	\$ 3,918,915
Restricted	2,946,445	3,483,988	-537,543
Unrestricted	(64,957,531)	(59,852,756)	(5,104,775)
Total Net Position	\$ (64,952,170)	\$ (63,228,767)	\$ (1,723,403)

Changes in Net Position

The Districts Fiscal year in 2025 revenues totaled \$26.9 million. Property taxes and state formula aid accounted for most of the District's revenue by contributing 36.5% and 53.3% respectively, of every dollar earned. The remainder came from fees charged for services, operation rents and other miscellaneous sources. These revenues are shown in table 3.

The total cost of all programs and services totaled \$28.6 million for fiscal year 2025. These expenses (92.85%) are predominantly support to general support, instruction, transportation, and Employee Benefits. These expenses are shown in table 3.

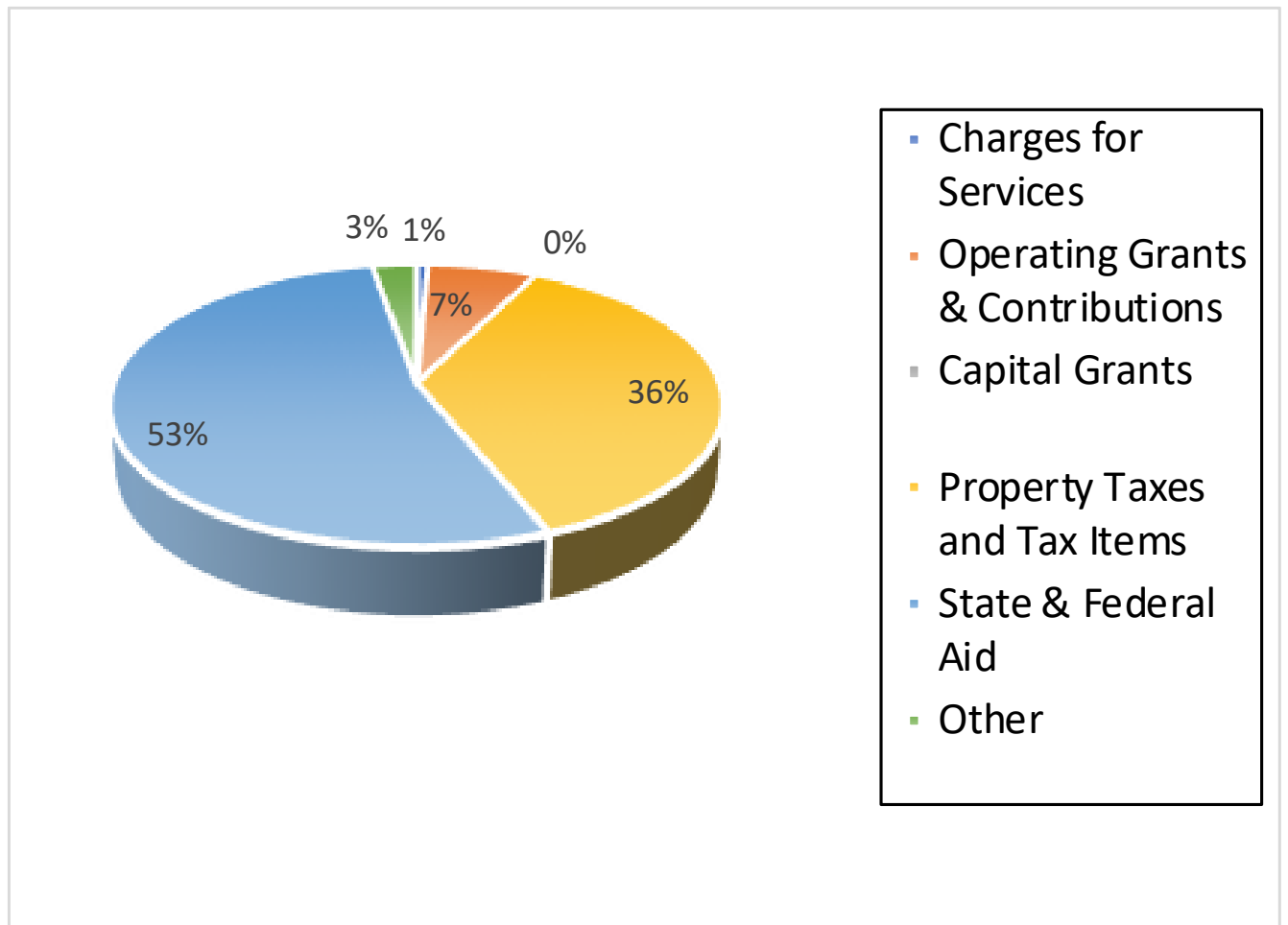
Table 3 shows a two-year analysis of the districts revenues and expenditures for the 2025 and 2024 school years.

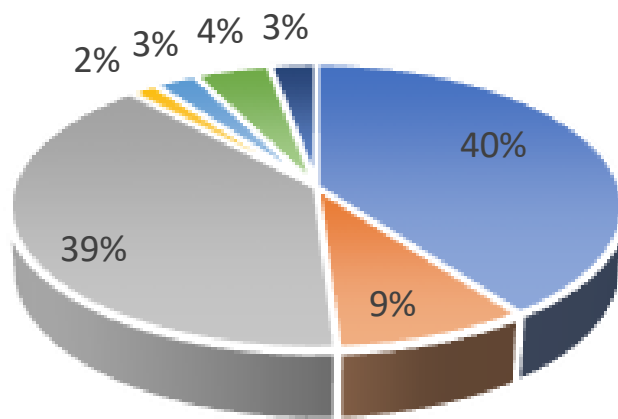
Table 3

Changes in Net Position from Operating Results

	Governmental Activities		Total Variance
	<u>2025</u>	Restated <u>2024</u>	
<u>REVENUES:</u>			
<u>Program -</u>			
Charges for Service	\$ 188,662	\$ 257,030	\$ (68,368)
Operating Grants & Contributions	1,799,746	2,524,581	(724,835)
Capital Grants & Contributions	-	-	-
Total Program	<u>\$ 1,988,408</u>	<u>\$ 2,781,611</u>	<u>\$ (793,203)</u>
<u>General -</u>			
Property Taxes	\$ 9,851,879	\$ 9,660,769	\$ 191,110
State and Federal Aid	14,376,646	14,214,578	162,068
Investment Earnings	292,897	287,618	5,279
Compensation for Loss	61,465	57,336	4,129
Miscellaneous	382,356	153,678	228,678
Total General	<u>\$ 24,965,243</u>	<u>\$ 24,373,979</u>	<u>\$ 591,264</u>
TOTAL REVENUES	<u>\$ 26,953,651</u>	<u>\$ 27,155,590</u>	<u>\$ (201,939)</u>
<u>EXPENSES:</u>			
General Support	\$ 2,620,755	\$ 2,576,924	\$ 43,831
Instruction	11,443,870	11,787,651	(343,781)
Pupil Transportation	1,320,914	1,288,934	31,980
Employee Benefits	11,241,744	10,780,834	460,910
Depreciation and Amortization	757,469	771,838	(14,369)
Capital Outlay	45,554	4,121	41,433
School Lunch	762,810	693,501	69,309
Interest	483,938	517,518	(33,580)
TOTAL EXPENSES	<u>\$ 28,677,054</u>	<u>\$ 28,421,321</u>	<u>\$ 255,733</u>
CHANGE IN NET POSITION	\$ (1,723,403)	\$ (1,265,731)	
NET POSITION, BEGINNING OF YEAR	<u>(63,228,767)</u>	<u>(61,963,036)</u>	
NET POSITION, END OF YEAR	<u>\$ (64,952,170)</u>	<u>\$ (63,228,767)</u>	

Chart 1 and chart 2 visually depict the revenues and expenses for the 2024-2025 year.





- Instruction
- General Support
- Employee Benefits
- Debt Service
- Depreciation & Amortization
- Transportation
- Other

Governmental Activities

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

Table 4

Net Cost of Governmental Activities

	<u>Total Cost of Services</u>			<u>Net Cost of Services</u>		
	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>2025</u>	<u>2024</u>	<u>Change</u>
General Support	\$ 2,620,755	\$ 2,576,924	-1.70%	\$ 2,584,086	\$ 2,474,532	-4.43%
Instruction	11,443,870	11,787,651	2.92%	10,221,745	9,749,591	-4.84%
Pupil Transportation	1,320,914	1,288,934	-2.48%	1,320,914	1,288,934	-2.48%
Employee Benefits	11,241,744	10,780,834	-4.28%	11,241,744	10,780,834	-4.28%
Debt Service Interest	483,938	517,518	6.49%	483,938	517,518	6.49%
Depreciation and Amortization	757,469	771,838	1.86%	757,469	771,838	1.86%
School Lunch Program	762,810	693,501	-9.99%	33,196	(74,088)	144.81%
Other	45,554	4,121	-1005.41%	45,554	4,121	-1005.41%
Total	<u>\$ 28,677,054</u>	<u>\$ 28,421,321</u>		<u>\$ 26,688,646</u>	<u>\$ 25,513,280</u>	

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUND

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

General Fund – The general fund, fund balance decreased by \$(379,531).

School Lunch Fund – The school lunch funds, fund balance, decreased by \$(32,437).

Capital Projects Fund – The capital projects fund, fund balance decreased by \$(872,382).

General Fund Budgetary Highlights

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that 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. 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. The following is a schedule of budget modifications that occurred during the year.

Original adopted budget	\$ 26,207,887
Budget revisions	
Carryover Encumbrances	241,901
Supplemental Appropriations	<u>825,119</u>
Revised budget	27,274,907
Actual 2025 expenditures	25,315,983
Actual 2025 Encumbrances	<u>74,722</u>
Total Expenditures Under Budget	<u>\$ 1,884,202</u>

CAPITAL AND LEASE ASSET AND DEBT ADMINISTRATION

By the end of fiscal year 2025, the District has invested \$15,525,785, net of accumulated depreciation and amortization, in a broad range of capital and lease assets.

Table 5 Capital and Lease Assets (Net of Depreciation and Amortization)

	<u>Governmental Activities And Total School District</u>	
	<u>2025</u>	<u>Restated 2024</u>
<u>Capital Assets:</u>		
Land	\$ 42,786	\$ 42,786
Work in Progress	1,571,001	-
Buildings and Improvements	11,812,308	11,967,234
Machinery and Equipment	<u>1,149,046</u>	<u>120,738</u>
Total Capital Assets	<u>\$ 14,575,141</u>	<u>\$ 12,130,758</u>
<u>Lease Assets:</u>		
Equipment	<u>\$ 677,644</u>	<u>\$ 850,772</u>
Grand Total	<u><u>\$ 15,252,785</u></u>	<u><u>\$ 12,981,530</u></u>

Long-Term Debt

As of June 30, 2025, the District had outstanding long-term liabilities of \$90,964,667. The various obligations are listed below in Table 6.

<u>Type</u>	<u>2025</u>	<u>Restated</u> <u>2024</u>
Serial Bonds	\$ 16,720,000	\$ 18,875,000
Premium	220,620	261,918
Lease Liability	788,627	991,907
OPEB	71,295,564	56,216,768
Net Pension Liability	925,226	1,361,037
Installment Debt - EPC	-	153,044
Compensated Absences	981,822	1,106,373
Total Long-Term Obligations	\$ 90,964,667	\$ 78,966,047

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The School District presented its 2025-26 budget to the voters on May 20, 2025. The \$26,879,909 budget, which reflected a budget to budget increase of \$672,022 (2.56%) from 2024-25; resulting in a tax levy increase of 3.17% which was within the Property Tax Cap Levy Limit. The budget was passed by a margin of 432 yes to 271 no votes. Separate propositions for the library (\$75,000), and new bus purchases for four buses (not to exceed the maximum cost of \$526,224) also passed on May 20, 2025. The district projected a surplus in March 2025 and made the decision to use this surplus to appropriate funds to the 2024-25 budget to maintain district programming. The overall appropriated fund balance remained consistent from the previous year as the district works to reduce the yearly appropriated fund balance in line with the multi-year budget forecasts.

Legislation enacted in 2011 created a property tax cap for school districts that started in the 2012-2013 budget year. For districts other than the Big Five, tax levy growth, with certain exemptions, is limited to the lesser of two percent or the annual increase in the consumer price index (CPI). A district may exceed the cap, with the approval of 60 percent of the voters. The Property Tax Cap limit law became permanent last year while the tax relief payments ended in the 2019-20 school year.

The Cambridge Central School district includes parts of eight towns in two counties. Equalization rates spread the taxable assessed valuation to maintain a uniform tax rate of true value. The tax rate on the true value decreased from \$13.02 to \$12.47 (excluding the library). The decrease in the tax rate on true is attributed to the significant increase in the overall assessment after the re-evaluations in four of the eight towns. Since all Equalization Rates are not at 100% the Tax Rate per \$1,000 varies by township.

Savings realized during the 2024-25 school year enabled the district to maintain the district's overall fund balance to assist in anticipated increased cost and/or possible revenue decreases in the future. Reserves are maintained to levels to meet future district needs due to the uncertain economic time with efforts to maintain the unappropriated Fund Balance.

The District has elected to exceed the allowable unappropriated Fund Balance of 4.0 to 4.33% given the economic uncertainties that both the district and the individual taxpayer are currently facing, however, the district remains financially stable. In summary, based upon the current level of resources, the District is poised to withstand a year of financial challenges. With a continued commitment from the Board of Education and the District's administrative team, our comprehensive budget planning process will help ensure our stability throughout difficult financial times as state aid revenues potentially decrease with the continued decrease in student enrollment.

CONTACTING THE DISTRICTS FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, parents, students, investors and creditors with a general overview of the District's finances and to demonstrate that the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Business Office, Cambridge Central School District, 58 South Park Street, Cambridge, New York, 12816. The telephone number is 518-677-2653.

CAMBRIDGE CENTRAL SCHOOL DISTRICT

Statement of Net Position

June 30, 2025

ASSETS

Cash and cash equivalents	\$ 1,518,090
Restricted cash and cash equivalents	9,768,186
Investments	847,268
Restricted investments	2,938,347
Accounts receivable	1,159,983
Inventories	16,457
Net pension asset	1,255,360
Capital assets, net	14,575,141
Lease assets, net	677,644
TOTAL ASSETS	\$ 32,756,476

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources	\$ 16,785,078
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LIABILITIES

Accounts payable	\$ 539,876
Accrued liabilities	160,711
Refundable advances	14,448
Due to other governments	367
Due to teachers' retirement system	855,873
Due to employees' retirement system	111,404
Bond anticipation notes payable	10,200,000
Other liabilities	24,532
Long-Term Obligations:	
Due in one year	2,619,083
Due in more than one year	88,345,584
TOTAL LIABILITIES	\$ 102,871,878

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources	\$ 11,621,846
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NET POSITION

Net investment in capital and lease assets	\$ (2,941,084)
Restricted	2,946,445
Unrestricted	(64,957,531)
TOTAL NET POSITION	\$ (64,952,170)

CAMBRIDGE CENTRAL SCHOOL DISTRICT
Statement of Activities
For The Year Ended June 30, 2025

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
General support	\$ 2,620,755	\$ 34,173	\$ 2,496	\$ -	\$ (2,584,086)
Instruction	11,443,870	81,317	1,140,808	-	(10,221,745)
Pupil transportation	1,320,914	-	-	-	(1,320,914)
School lunch	762,810	73,172	656,442	-	(33,196)
Employee benefits	11,241,744	-	-	-	(11,241,744)
Depreciation	404,441	-	-	-	(404,441)
Amortization	353,028	-	-	-	(353,028)
Capital outlay	45,554	-	-	-	(45,554)
Interest	483,938	-	-	-	(483,938)
Total Functions/Programs	\$ 28,677,054	\$ 188,662	\$ 1,799,746	\$ -	\$ (26,688,646)

General Revenues:

Property taxes and other tax items	\$ 9,851,879
State and federal aid	14,376,646
Investment earnings	292,897
Compensation for loss	61,465
Miscellaneous	382,356
Total General Revenues	\$ 24,965,243
Changes in Net Position	\$ (1,723,403)
Net Position, Beginning of Year, As Originally Reported	(62,876,085)
Cumulative Effect of Change in Accounting Principle (Note 17)	(766,666)
Error Correction - Capital Assets (Note 17)	413,984
Net Position, Beginning of Year, As Restated	(63,228,767)
Net Position, End of Year	\$ (64,952,170)

See accompanying notes to financial statements.

CAMBRIDGE CENTRAL SCHOOL DISTRICT

**Balance Sheet
Governmental Funds
June 30, 2025**

	General Fund	Special Aid Fund	School Lunch Fund	Capital Projects Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,462,228	\$ 3,592	\$ 52,270	\$ -	\$ 1,518,090
Restricted cash and cash equivalents	-	-	-	9,768,186	9,768,186
Investments	823,992	-	23,276	-	847,268
Restricted investments	2,938,347	-	-	-	2,938,347
Receivables	669,367	423,499	51,704	15,413	1,159,983
Inventories	-	-	16,457	-	16,457
Due from other funds	519,526	-	-	-	519,526
TOTAL ASSETS	\$ 6,413,460	\$ 427,091	\$ 143,707	\$ 9,783,599	\$ 16,767,857
LIABILITIES AND FUND EQUITY (DEFICIENCY)					
Liabilities -					
Accounts payable	\$ 109,824	\$ -	\$ 995	\$ 429,057	\$ 539,876
Accrued liabilities	136,106	-	-	-	136,106
Notes payable - bond anticipation notes	-	-	-	10,200,000	10,200,000
Due to other funds	-	418,703	78,520	22,303	519,526
Due to other governments	-	-	367	-	367
Due to TRS	855,873	-	-	-	855,873
Due to ERS	111,404	-	-	-	111,404
Other liabilities	24,532	-	-	-	24,532
Refundable advances	-	8,388	6,060	-	14,448
TOTAL LIABILITIES	\$ 1,237,739	\$ 427,091	\$ 85,942	\$ 10,651,360	\$ 12,402,132
Fund Equity (Deficiency) -					
Nonspendable	\$ -	\$ -	\$ 16,457	\$ -	\$ 16,457
Restricted	2,938,347	-	8,098	-	2,946,445
Assigned	1,074,722	-	33,210	-	1,107,932
Unassigned	1,162,652	-	-	(867,761)	294,891
TOTAL FUND EQUITY (DEFICIENCY)	\$ 5,175,721	\$ -	\$ 57,765	\$ (867,761)	\$ 4,365,725
TOTAL LIABILITIES AND FUND EQUITY (DEFICIENCY)	\$ 6,413,460	\$ 427,091	\$ 143,707	\$ 9,783,599	

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

Capital assets/lease assets used in governmental activities are not financial resources and therefore are not reported in the funds.	15,252,785
Interest is accrued on outstanding bonds in the statement of net position but not in the funds.	(24,605)
The following long-term obligations are not due and payable in the current period and therefore are not reported in the governmental funds:	
Serial bonds payable	(16,720,000)
Leases liabilities	(788,627)
Retainage	(32,808)
OPEB	(71,295,564)
Compensated absences	(981,822)
Unamortized premium	(220,620)
Net pension asset	1,255,360
Deferred outflow - pension	3,499,123
Deferred outflow - OPEB	13,285,955
Net pension liability	(925,226)
Deferred inflow - pension	(1,664,085)
Deferred inflow - OPEB	(9,957,761)
Net Position of Governmental Activities	\$ (64,952,170)

CAMBRIDGE CENTRAL SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Equity
Governmental Funds
For The Year Ended June 30, 2025

	General Fund	Special Aid Fund	School Lunch Fund	Capital Projects Fund	Total Governmental Funds
REVENUES					
Real property taxes and tax items	\$ 9,851,879	\$ -	\$ -	\$ -	\$ 9,851,879
Charges for services	115,490	-	-	-	115,490
Use of money and property	291,871	-	1,026	-	292,897
Sale of property and compensation for loss	61,465	-	-	-	61,465
Miscellaneous	208,195	2,497	18,187	-	228,879
State sources	14,231,735	496,526	175,345	1	14,903,607
Federal sources	144,911	644,282	481,097	-	1,270,290
Sales	-	-	54,985	-	54,985
TOTAL REVENUES	\$ 24,905,546	\$ 1,143,305	\$ 730,640	\$ 1	\$ 26,779,492
EXPENDITURES					
General support	\$ 2,691,225	\$ -	\$ -	\$ -	\$ 2,691,225
Instruction	10,677,733	894,805	-	-	11,572,538
Pupil transportation	1,413,281	45,390	-	-	1,458,671
Employee benefits	6,614,626	252,157	149,369	-	7,016,152
Debt service - principal	2,588,696	-	-	-	2,588,696
Debt service - interest	521,375	-	-	-	521,375
Cost of sales	-	-	648,708	-	648,708
Capital outlay	-	-	-	1,818,537	1,818,537
TOTAL EXPENDITURES	\$ 24,506,936	\$ 1,192,352	\$ 798,077	\$ 1,818,537	\$ 28,315,902
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 398,610	\$ (49,047)	\$ (67,437)	\$ (1,818,536)	\$ (1,536,410)
OTHER FINANCING SOURCES (USES)					
Transfers - in	\$ 4,621	\$ 49,047	\$ 35,000	\$ 725,000	\$ 813,668
Transfers - out	(809,047)	-	-	(4,621)	(813,668)
Proceeds from obligations - leases	26,285	-	-	153,615	179,900
Premium on obligations issued	-	-	-	72,160	72,160
TOTAL OTHER FINANCING SOURCES (USES)	\$ (778,141)	\$ 49,047	\$ 35,000	\$ 946,154	\$ 252,060
NET CHANGE IN FUND EQUITY	\$ (379,531)	\$ -	\$ (32,437)	\$ (872,382)	\$ (1,284,350)
FUND EQUITY, BEGINNING OF YEAR	5,555,252	-	90,202	4,621	5,650,075
FUND EQUITY, END OF YEAR	\$ 5,175,721	\$ -	\$ 57,765	\$ (867,761)	\$ 4,365,725

See accompanying notes to financial statements.

CAMBRIDGE CENTRAL SCHOOL DISTRICT
Reconciliation of Statement of Revenues, Expenditures, and Changes in
Fund Equity of the Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2025

NET CHANGE IN FUND EQUITY -
TOTAL GOVERNMENTAL FUNDS

\$ (1,284,350)

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

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

Capital Outlay	\$ 1,998,052
Lease additions	179,900
Depreciation and Amortization	<u>(757,469)</u>

1,420,483

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

Debt and Lease Repayments	\$ 2,205,516
Proceeds from Leases	(179,900)
Proceeds from reduction of lease liability	102,000
Lease Payments	<u>383,180</u>

2,510,796

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

(4,389)

The retainage liability does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds

(32,808)

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

(4,701,741)

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

Teachers' Retirement System	90,305
Employees' Retirement System	112,452

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

41,298

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

Compensated Absences	<u>124,551</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ (1,723,403)

CAMBRIDGE CENTRAL SCHOOL DISTRICT
Statement of Fiduciary Net Position
June 30, 2025

	Private Purpose Trust	Custodial Funds
ASSETS		
Restricted cash	\$ 6,793	\$ 155,166
TOTAL ASSETS	<u>\$ 6,793</u>	<u>\$ 155,166</u>
NET POSITION		
Restricted for individuals, organizations and other governments	\$ 6,793	\$ 155,166
TOTAL NET POSITION	<u>\$ 6,793</u>	<u>\$ 155,166</u>

Statement of Changes in Fiduciary Net Position
For The Year Ended June 30, 2025

	Private Purpose Trust	Custodial Funds
ADDITIONS		
Student activity	\$ -	\$ 128,787
Investment earnings	4	-
TOTAL ADDITIONS	<u>\$ 4</u>	<u>\$ 128,787</u>
DEDUCTIONS		
Student activity	\$ -	\$ 98,150
Scholarships	500	-
TOTAL DEDUCTIONS	<u>\$ 500</u>	<u>\$ 98,150</u>
CHANGE IN NET POSITION	\$ (496)	\$ 30,637
NET POSITION, BEGINNING OF YEAR	<u>7,289</u>	<u>124,529</u>
NET POSITION, END OF YEAR	<u>\$ 6,793</u>	<u>\$ 155,166</u>

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of 5 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 its component unit. The District is not a component unit of another reporting entity.

The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief description of certain entities included in the District's reporting entity.

Extraclassroom Activity Funds

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

B. Joint Venture

The District is a component district in Washington Saratoga Warren Hamilton Essex Counties 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.

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Joint Venture

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

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

During the year ended June 30, 2025, the District was billed \$2,274,469 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$753,052 in the General Fund and \$18,296 in the School Lunch Fund. Financial statements for the BOCES are available from the BOCES administrative office.

C. Basis Of Presentation

District-wide statements

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

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

Fund financial statements

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

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis Of Presentation

I. Governmental Funds

The District reports the following major governmental funds:

General Fund

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

Special Revenue Funds

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

a) Special Aid Fund

Used to account for special operating projects or programs supported in whole, or in part, with Federal funds or State or Local grants, that are legally restricted to expenditures for specific purposes and other activities whose funds are restricted as to use. These legal restrictions may be imposed by either governments that provide the funds, or by outside parties.

b) School Lunch

The School Lunch Fund is used to account for child nutrition activities whose funds are restricted as to use.

Capital Projects Funds

These funds are used to account for the report financial resources to be used for the acquisition, construction or renovation, or major repair of capital facilities and equipment or the right-to-use capital facilities and other capital intangible assets.

II. Fiduciary Funds

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

There are two classes of fiduciary funds:

Private purpose trust funds

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

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis of Presentation

II. Fiduciary Funds

Custodial funds

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

D. Basis of Accounting/Measurement Focus

General Information

Measurement focus describes what type of information is reported and is either the economic resources measurement focus or the current financial resources measurement focus. The economic resources measurement focus reports all assets, liabilities, and deferred resources related to a given activity, as well as transactions of the period that affect net position. For example, all assets, whether financial (e.g., cash and receivables) or capital (e.g., property and equipment) and liabilities (including long-term debt and obligations) are reported. The current financial resources measurement focus reports more narrowly on assets, liabilities, and deferred resources that are relevant to near-term liquidity, along with net changes resulting from transactions of the period. Consequently, capital assets and the unmatured portion of long-term debt and certain other liabilities the District would not expect to liquidate currently with expendable available resources (e.g. compensated absences for employees still in active service) would not be reported.

Basis of accounting describes when changes are recognized and is either the accrual basis of accounting or the modified accrual basis of accounting. The accrual basis of accounting recognizes changes in net position when the underlying event occurs, regardless of the timing of related cash flows. The modified accrual basis of accounting recognizes changes only at the point they affect near-term liquidity.

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year except for real property taxes, which are considered to be available if collected within sixty days of the fiscal year end.

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Basis of Accounting/Measurement Focus

General Information

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

E. Refundable Advances

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

F. Property taxes

I. Calendar

Real property taxes are levied annually by the Board of Education no later than September 1, 2024 and become a lien on August 8, 2024. Taxes are collected during the period September 1, to October 31.

II. Enforcement

Uncollected real property taxes are subsequently enforced by the Counties of Washington and Rensselaer, in which the District is located. An amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than the forthcoming April 1.

G. Restricted resources

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

H. Budgetary Procedures and Budgetary Accounting

I. Budget Policies

The budget policies are as follows:

- a. The District administration prepares a proposed budget for approval by the Board of Education for the General Fund.
- b. The proposed appropriation budget for the General Fund is approved by the voters within the District.
- c. Appropriations are adopted at the line-item level.

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

H. Budgetary Procedures and Budgetary Accounting

I. Budget Policies

d. Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not located in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. The following were supplemental appropriations for June 30, 2025:

From Appropriated Reserves:

Capital Reserve	\$ 625,000
Employee Benefit Accrued Liability Reserve	200,119
Total Supplemental Appropriations	<u>\$ 825,119</u>

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

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

II. Encumbrances

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as restrictions or assignments of fund 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.

III. Budget Basis of Accounting

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

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. Cash and Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. New York State law governs the District's investments policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposits not covered by the FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and Districts. Investments are stated at fair value. Certain cash balances are restricted by various legal or contractual obligations, such as legal reserves or debt agreements.

J. Accounts Receivable

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

K. Inventories and prepaid items

Inventories of food and supplies in the School Lunch Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value that approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount. Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the District-wide and fund financial statements. These items are reported as assets on the Statement of Net Position or Balance Sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

A portion of the fund equity in the amount of these non-liquid assets (inventories and prepaid items) has been identified as not available for other subsequent expenditures.

L. Interfund Transfers

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditure and revenues to provided financing or other services. This includes the transfer of unrestricted general fund revenues to finance various programs that the District must account for in other funds in accordance with budgetary authorization.

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.

**CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. Interfund Transfers

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

Refer to Note 6 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

M. Equity Classifications

District-wide statements:

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

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

Restricted net position - reports net position when constraints placed on the assets or deferred outflows are either externally imposed by creditors (such as through debt covenants), 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 assets that do not meet the definition of the above two classifications and are deemed to be available for general use by the District.

Fund Statements:

In the fund basis statements there are five classifications of fund equity:

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

	<u>Total</u>
Inventory in School Lunch	\$ 16,457
Total Nonspendable Fund Equity	<u><u>\$ 16,457</u></u>

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. All encumbrances of funds other than the General Fund are classified as restricted fund equity. The District has established the following restricted fund equities:

Employee Benefit Accrued Liability

According to General Municipal Law §6-p, must be used for the payment of accrued employee benefits due to an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Capital Reserve

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. Expenditure may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law.

Tax Certiorari

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

Retirement Contributions

According to General Municipal Law §6-r, these reserve funds must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. A Board may also adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with the existing General Municipal Law §6-r.

Restricted fund equity includes the following:

	<u>Total</u>
<u>General Fund -</u>	
Retirement Contribution - ERS	\$ 884,019
Retirement Contribution - TRS	663,060
Tax Certiorari	138,351
Capital Reserves	1,105,710
Employee Benefit Accrued Liability	147,207
<u>School Lunch Fund -</u>	
Encumbrances	8,098
Total Restricted Fund Equity	<u><u>\$ 2,946,445</u></u>

**CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Retirement Contributions

The fiduciary funds, specifically the private purpose trust fund, reports \$6,793 as restricted for the purpose of scholarships to individuals, organizations, or other governments that meet specified criteria. The custodial funds report \$155,166 as restricted for the extraclassroom activity fund.

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

Assigned - Includes amounts that are constrained by the district's intent to be used for specific purposes but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund equity represents the residual amount of fund equity. Assigned fund equity also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted as the end of the fiscal year.

Assigned fund equity includes the following:

	<u>Total</u>
General Fund - Encumbrances	\$ 74,722
General Fund - Capital project	1,000,000
School Lunch Fund - Year End Equity	33,210
Total Assigned Fund Equity	<u>\$ 1,107,932</u>

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments of expenditures are recorded for budgetary control purposes in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as restricted fund equity in all funds other than the General Fund since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

Purpose of Encumbrances:

General Fund -

General Support	\$ 61,426
Instruction	11,391
Pupil Transportation	1,905
Total General Fund Encumbrances	<u>\$ 74,722</u>

School Lunch Fund -

Cost of sales	\$ 8,098
Total School Lunch Fund Encumbrances	<u>\$ 8,098</u>

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

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

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a District can retain to no more than 4% of the District's budget for the General Fund for the ensuing fiscal year. Non-spendable and restricted fund equity of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation, and the District exceeded this limit at June 30, 2025 by \$87,456.

Net Position/Fund Equity

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

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

Order of Use of Fund Equity

The District's policy is to apply expenditures against nonspendable fund equity, restricted fund equity (to the extent appropriated), committed fund equity, assigned fund equity, and unassigned fund equity at the end of the fiscal year. For all funds, non-spendable fund equities are determined first and then restricted fund equities for specific purposes are determined. Any remaining fund equity amounts for funds other than the General Fund are classified as either assigned fund equity or restricted fund equity. In the General Fund, committed fund equity is determine next and then assigned. The remaining amounts are reported as unassigned.

N. Postemployment Benefits

In addition to providing the retirement benefits described in Note 11, the District provides post-employment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contract negotiated between the District and its employee groups as governed by Board of Education Policy. Substantially all of these employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the District and the retired employee. See Note 12.

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

O. Capital Assets and Lease Assets

Capital Assets

Capital assets are reported at historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Donated assets are reported at estimated fair market value at the time received.

Land and construction in process are not depreciated. Capitalization thresholds (the dollar amount above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

<u>Class</u>	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 5,000	SL	40 Years
Building Improvements	\$ 5,000	SL	40 Years
Machinery and Equipment	\$ 5,000	SL	5-10 Years

Lease Assets

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

P. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District may have four items that qualify for reporting in this category. First is the deferred charge on refunding reported in the Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The third item is the District contributions to the pension systems (TRS and ERS Systems) and OPEB subsequent to the measurement date. The fourth item relates to pensions and OPEB reporting in the Statement of Net Position. This represents the effect of the net change in the actual and expected experience and changes of assumptions.

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

P. Deferred Outflows and Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportionate share of the collective net pension liability (TRS and ERS System) and difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second item, if applicable, is related to the OPEB and pension reporting in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs and difference between actual and expected experience.

Q. Short-term Debt

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

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

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

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

R. Payables, Accrued liabilities and long-term obligations

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

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

R. Payables, Accrued liabilities and long-term obligations

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

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

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

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

Total fund equity of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets, as applied to the reporting of capital and lease assets and long-term liabilities, including pensions.

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

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

Long-Term Revenue and Expense Differences:

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

Capital and Lease Related Differences:

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

Long-Term Debt Transaction Differences:

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

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Pension Differences:

Pension differences occur as a result of recognizing pension costs using the current financial resources measurement focus and the modified accrual basis of accounting, whereby an expenditure is recognized based on the contractually required contribution as calculated by the plan, versus the economic resources measurement focus and the accrual basis of accounting, whereby an expense is recognized related to the District's proportionate share of the collective pension expense of the plan.

OPEB Difference:

OPEB differences occur as a result of recognizing OPEB costs using the current financial resources measurement focus and the modified accrual basis of accounting, whereby and expenditure is recognized for health insurance premiums and OPEB costs as they mature (come due for payment), versus the economic resources measurement focus and the accrual basis of accounting, whereby an expense is recognized related to the future cost of benefits in retirement over the term of employment.

T. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenue and expenditures during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of compensated absences, other postemployment benefits, net pension asset/liability, deferred inflows/outflows, potential contingent liabilities, and the lives of long-term assets.

U. Employee Benefits - Compensated Absences

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

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

In the district-wide financial statements, the District recognizes a liability for compensated absences, including vacation and sick leave, when employees have earned the right to the leave and it is more likely than not that the leave will be used for time off or otherwise paid in cash, or settled through other means. The liability is measured at the employee's rate of pay at the reporting date, including salary-related payments such as social security and Medicare taxes.

In the fund statements, a liability is reported only for payments due for unused compensated absences for those employees that have obligated themselves to separate from service with the District by June 30th.

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

V. Implementation of New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2025, the District implemented the following new standard issued by GASB:

GASB has issued Statement 101, *Compensated Absences*, effective for the year ending June 30, 2025, which had a significant impact on the District, See Note 17.

GASB has issued Statement 102, *Certain Risk Disclosures*, effective for the year ending June 30, 2025, which had no significant impact on the District.

W. Future Changes in Accounting Standards

GASB has issued Statement 103, *Financial Reporting Model Improvements*, effective for the year ending June 30, 2026.

GASB has issued Statement 104, *Disclosure of Certain Capital Assets*, effective for the year ending June 30, 2026.

The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

2. STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY

A. Unassigned Fund Equity

The District's unassigned fund equity was in excess of the New York State Real Property Tax Law §1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year.

3. CASH - CUSTODIAL, CREDIT, CONCENTRATION OF CREDIT AND INTEREST RATE RISKS

Deposits

Deposits are valued at cost or cost plus interest and are categorized as either (1) insured, or for which the securities are held by the District's agents in the District's name, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the District's name, or (3) uncollateralized. At June 30, 2025, all deposits were fully insured and collateralized by the District's agent in the District's name.

Investment and Deposit Policy

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

Interest Rate Risk

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

**CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

3. CASH - CUSTODIAL, CREDIT, CONCENTRATION OF CREDIT AND INTEREST RATE RISKS

Credit Risk

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

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

Custodial Credit Risk

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

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.
- Obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations.

Restricted Cash and Investments

Restricted cash and investments represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash at June 30, 2025 consists of the following:

	<u>Total</u>
<u>General Fund -</u>	
Retirement Contribution - ERS	\$ 884,019
Retirement Contribution - TRS	663,060
Tax Certiorari	138,351
Capital Reserves	1,105,710
Employee Benefit Accrued Liability	147,207
<u>Capital Projects Fund -</u>	
Voter approved projects	9,768,186
<u>Private Purchase Trust</u>	
Scholarships	6,793
<u>Custodial Funds</u>	
Extraclassroom Activity Fund	155,166
Total Restricted Cash and Investments	<u><u>\$ 12,868,492</u></u>

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

4. INVESTMENTS/INVESTMENT POOLS

Investments

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

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

Level 2: Inputs to the valuation methodology include:

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

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs. All of the District's investments are valued based on Level 2 of the hierarchy.

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

Total investments of the NYCLASS cooperative as of year-end based on un-audited numbers are \$14,132,078,788, which consisted of \$3,825,553,728 in repurchase agreements, \$450,813,313, in collateralized bank deposits \$128,601,917 in FDIC Insured Bank Deposits and \$9,727,109,830 in U.S. Government Treasury Securities.

At June 30, 2025, the District held \$3,785,615 in investments consisting of various investments in securities issued by the United States and its agencies.

<u>Investment in Securities at Value</u>	<u>Level 1</u>	<u>Valuation Inputs Level 2</u>	<u>Level 3</u>	<u>Total</u>
General Fund	\$ -	\$ 3,762,339	\$ -	\$ 3,762,339
School Lunch Fund	-	23,276	-	23,276
Total	<u>\$ -</u>	<u>\$ 3,785,615</u>	<u>\$ -</u>	<u>\$ 3,785,615</u>

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

4. INVESTMENTS/INVESTMENT POOLS

Investments

The above amount represents the fair value of the investment pool shares the District invested in. For the year ended June 30, 2025, the portfolio did not have significant unobservable inputs (Level 3) used in determining fair value. Thus, a reconciliation of assets in which significant unobservable inputs (Level 3) which were used in determining fair value is not applicable. There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the period. The portfolio recognizes transfers between the levels as of the beginning of the fiscal year.

Risks and Uncertainties with Investments

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

5. RECEIVABLES

Receivables balances for the year ended June 30, 2025 are as follows:

<u>Description</u>	<u>Governmental Activities</u>				<u>Total</u>
	<u>General</u>	<u>Special</u>	<u>Capital</u>	<u>School</u>	
	<u>Fund</u>	<u>Aid</u>	<u>Projects</u>	<u>Lunch</u>	
Accounts Receivable	\$ 36,563	\$ -	\$ -	\$ -	\$ 36,563
Due From State and Federal	293,318	423,499	15,413	51,704	783,934
Due From Other Governments	339,486	-	-	-	339,486
Total Receivables	\$ 669,367	\$ 423,499	\$ 15,413	\$ 51,704	\$ 1,159,983

6. INTERFUND RECEIVABLES AND PAYABLES

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

Interfund receivable and payable balances at June 30, 2025 are as follows:

	<u>Interfund</u>			
	<u>Receivables</u>	<u>Payables</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 519,526	\$ -	\$ 4,621	\$ 809,047
Special Aid Fund	-	418,703	49,047	-
School Lunch Fund	-	78,520	35,000	-
Capital Projects Fund	-	22,303	725,000	4,621
Total	\$ 519,526	\$ 519,526	\$ 813,668	\$ 813,668

The District typically transfers from the General Fund to the Special Aid Fund for the District's share of the special education summer school programs, to the School Lunch Fund for support for school lunch cost of sales, and the local share to the Capital Projects Fund for specific projects, this includes use of capital reserves as approved by voters.

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

7. CAPITAL ASSETS

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

<u>Type</u>	<u>Restated Balance 7/1/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2025</u>
<u>Governmental Activities:</u>				
<u>Capital Assets that are not Depreciated -</u>				
Land	\$ 42,786	\$ -	\$ -	\$ 42,786
Work in progress	-	1,571,001	-	1,571,001
<i>Total Nondepreciable</i>	<u>\$ 42,786</u>	<u>\$ 1,571,001</u>	<u>\$ -</u>	<u>\$ 1,613,787</u>
<u>Capital Assets that are Depreciated -</u>				
Buildings and Improvements	\$ 19,185,940	\$ 81,175	\$ -	\$ 19,267,115
Machinery and equipment	2,726,262	345,876	30,338	3,041,800
<i>Total Depreciated Assets</i>	<u>\$ 21,912,202</u>	<u>\$ 427,051</u>	<u>\$ 30,338</u>	<u>\$ 22,308,915</u>
<u>Less Accumulated Depreciation -</u>				
Buildings and Improvements	\$ 7,218,706	\$ 236,101	\$ -	\$ 7,454,807
Machinery and equipment	1,754,752	168,340	30,338	1,892,754
<i>Total Accumulated Depreciation</i>	<u>\$ 8,973,458</u>	<u>\$ 404,441</u>	<u>\$ 30,338</u>	<u>\$ 9,347,561</u>
<i>Total Capital Assets Depreciated, Net of Accumulated Depreciation</i>	<u>\$ 12,938,744</u>	<u>\$ 22,610</u>	<u>\$ -</u>	<u>\$ 12,961,354</u>
Total Capital Assets	<u><u>\$ 12,981,530</u></u>	<u><u>\$ 1,593,611</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 14,575,141</u></u>

8. SHORT-TERM DEBT

Bond Anticipation Notes

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

Transactions in short-term debt for the year are summarized below:

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance 7/1/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2025</u>
BAN - Reconstruction and Improvements	6/24/2026	4.00%	\$ -	\$ 10,200,000	\$ -	\$ 10,200,000
Total Short-Term Debt			<u><u>\$ -</u></u>	<u><u>\$ 10,200,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 10,200,000</u></u>

Interest on short-term debt was comprised of:

Interest Paid	\$ -
Less: Interest Accrued in the Prior Year	-
Plus: Interest Accrued in the Current Year	6,707
Total Short-Term Interest Expense	<u><u>\$ 6,707</u></u>

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

9. LONG-TERM DEBT OBLIGATIONS

Long-Term Debt

Serial Bonds

The District borrows money in order to acquire or construct buildings and improvements.

This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the District. The provisions to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

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

Interest Paid	\$ 521,375
Less: Amortization of Premium	(41,298)
Less: Interest Accrued in the Prior Year	(20,744)
Plus: Interest Accrued in the Current Year	17,898
Total Long-Term Interest Expense	<u>\$ 477,231</u>

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

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

	<u>Restated Balance 7/1/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2025</u>	<u>Due Within One Year</u>
<u>Governmental Activities:</u>					
<u>Bonds and Notes Payable -</u>					
Serial Bonds	\$ 18,875,000	\$ -	\$ 2,155,000	\$ 16,720,000	\$ 2,125,000
Premium	261,918	-	41,298	220,620	37,810
Lease Liability	991,907	179,900	383,180	788,627	332,014
Energy Performance Contracts	153,044	-	153,044	-	-
Total Bonds and Notes Payable	<u>\$ 20,281,869</u>	<u>\$ 179,900</u>	<u>\$ 2,732,522</u>	<u>\$ 17,729,247</u>	<u>\$ 2,494,824</u>
<u>Other Liabilities -</u>					
Net Pension Liability	\$ 1,361,037	\$ 44,278	\$ 480,089	\$ 925,226	\$ -
OPEB	56,216,768	19,472,017	4,393,221	71,295,564	-
Retainage Payable	-	32,808	-	32,808	32,808
Compensated Absences	1,106,373	-	124,551	981,822	91,451
Total Other Liabilities	<u>\$ 58,684,178</u>	<u>\$ 19,549,103</u>	<u>\$ 4,997,861</u>	<u>\$ 73,235,420</u>	<u>\$ 124,259</u>
Total Long-Term Obligations	<u>\$ 78,966,047</u>	<u>\$ 19,729,003</u>	<u>\$ 7,730,383</u>	<u>\$ 90,964,667</u>	<u>\$ 2,619,083</u>

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

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

9. LONG-TERM DEBT OBLIGATIONS

The following is a summary of long-term indebtedness:

<u>Description</u>	<u>Original Amount</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding 6/30/2025</u>
2012 Bond	\$ 1,933,058	2012	2026	2.25%	\$ 155,000
2014 Bond	7,542,000	2014	2028	3.00%	1,815,000
2017 Bond	3,640,000	2017	2037	2.00%	2,455,000
2018 Bond	9,215,785	2018	2033	2.96%	5,305,000
2021 Bond	9,868,582	2021	2039	1.00%	6,990,000
Total Serial Bonds					<u>\$ 16,720,000</u>

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

<u>Year</u>	<u>Serial Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Premium</u>
2026	\$ 2,125,000	\$ 429,563	\$ 37,810
2027	2,020,000	380,031	34,252
2028	2,075,000	329,087	30,636
2029	1,505,000	379,000	26,856
2030	1,550,000	232,438	23,457
2031-35	6,490,000	559,456	63,450
2036-37	955,000	34,250	4,159
Total	<u>\$ 16,720,000</u>	<u>\$ 2,343,825</u>	<u>\$ 220,620</u>

Constitutional Debt Limit

The constitution of the State of New York limits the amount of indebtedness which may be issued by the District. Basically, the District may issue indebtedness to the extent that the aggregate outstanding debt issues which are subject to such limit does not exceed 10% of the full valuation of taxable real estate within the district. At June 30, 2025, the District has exhausted 46.58% of its constitutional debt limit.

10. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

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

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Pension	\$ 3,499,123	\$ 1,664,085
OPEB	13,285,955	9,957,761
Total	<u>\$ 16,785,078</u>	<u>\$ 11,621,846</u>

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

11. PENSION PLANS

General Information:

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

Provisions and administration:

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

Provisions and administration:

ERS provides retirement benefits as well as death and disability benefits. This is a cost-sharing multiple-employer retirement system. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. NYSRSSL govern obligations of employers and employees to contribute, and benefits to employees. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to NYSERS, Office of the State Comptroller, 110 State Street, Albany, New York 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at www.osc.state.ny.us/retire/publications/index.php.

Funding Policies

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire

**CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

11. PENSION PLANS

General Information:

Funding Policies

length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year and each of the two preceding years.

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

<u>Contributions</u>	<u>ERS</u>	<u>TRS</u>
2025	\$ 309,510	\$ 784,084
2024	\$ 272,576	\$ 785,113
2023	\$ 238,196	\$ 724,712

Pension Liabilities, Pension Expense And Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To Pensions

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2025	June 30, 2024
Net pension assets/(liability)	\$ (925,226)	\$ 1,255,360
District's portion of the Plan's total net pension asset/(liability)	0.005%	0.042%

Pension Expense (Credit)

For the year ended June 30, 2025, the District's recognized its proportionate share of pension expense of \$202,528 for ERS and \$690,474 for TRS.

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

11. PENSION PLANS

Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2025 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 229,647	\$ 1,351,792	\$ 10,833	\$ -
Changes of assumptions	38,802	750,960	-	126,318
Net difference between projected and actual earnings on pension plan investments	72,591	-	-	1,394,812
Changes in proportion and differences between the District's contributions and proportionate share of contributions	124,615	34,434	62,636	69,486
Subtotal	<u>\$ 465,655</u>	<u>\$ 2,137,186</u>	<u>\$ 73,469</u>	<u>\$ 1,590,616</u>
District's contributions subsequent to the measurement date	125,991	770,291	-	-
Grand Total	<u>\$ 591,646</u>	<u>\$ 2,907,477</u>	<u>\$ 73,469</u>	<u>\$ 1,590,616</u>

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension asset/(liability) in the year ended March 31, 2026 for ERS and June 30, 2025 for TRS. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2025	\$ -	\$ (652,660)
2026	190,605	1,532,099
2027	262,789	(260,318)
2028	(66,972)	(295,390)
2029	5,764	160,132
Thereafter	-	62,707
Total	<u>\$ 392,186</u>	<u>\$ 546,570</u>

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:

**CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

11. PENSION PLANS

Actuarial Assumptions

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2025	June 30, 2024
Actuarial valuation date	April 1, 2023	June 30, 2023
Interest rate	5.90%	6.95%
Salary scale	4.30%	5.18%-1.95%
Decrement tables	April 1, 2015- March 31, 2020 System's Experience	July 1, 2015- June 30, 2020 System's Experience
Inflation rate	2.90%	2.40%
COLA's	1.50%	1.30%

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

For ERS, the actuarial assumptions used in the April 1, 2024 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020. For TRS, actuarial assumptions used in the June 30, 2023 valuation are based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020. Additionally, for TRS, assumptions are computed by the TRS Office of the Actuary and adopted by the TRS. The actuarial assumptions are based upon recent TRS member experience. Detailed assumption information may be found in the TRS annual actuarial valuation report.

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

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

**CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

11. PENSION PLANS

Actuarial Assumptions

	Long Term Expected Rate of Return	
	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2025	June 30, 2024
<u>Asset Type -</u>		
Domestic equity	3.54%	6.60%
International equity	6.57%	7.40%
Global equity	0.00%	6.90%
Private equity	7.25%	10.00%
Real estate	4.95%	6.30%
Opportunistic/ARS portfolio	5.25%	0.00%
Real assets	5.55%	0.00%
Cash equivalents	0.25%	0.50%
Private debt	0.00%	5.90%
Real estate debt	0.00%	3.90%
High-yield fixed income securities	0.00%	4.80%
Domestic fixed income securities	0.00%	2.60%
Global fixed income securities	0.00%	2.50%
Credit	5.40%	0.00%
Fixed income	2.00%	0.00%

Discount Rate

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

Sensitivity Of The Proportionate Share Of The Net Pension Liability To The Discount Rate Assumption

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

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

11. PENSION PLANS

Sensitivity Of The Proportionate Share Of The Net Pension Liability To The Discount Rate Assumption

	1% Decrease	Current	1% Increase
<u>ERS</u>	<u>(4.90%)</u>	<u>Assumption</u>	<u>(5.90%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ (2,677,722)	\$ (925,226)	\$ 538,108
		Current	1% Increase
<u>TRS</u>	<u>(5.95%)</u>	<u>Assumption</u>	<u>(6.95%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ (5,798,580)	\$ 1,255,360	\$ 7,187,912

Changes in Assumptions

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

Collective Pension Expense

Collective pension expense includes certain current period changes in the collective net pension asset/(liability), projected earnings on pension plan investments, and the amortization of deferred outflows or resources and deferred inflows of resources for the current period. The Collection pension expense for the year ended June 30, 2025 is \$243,279 for ERS and \$683,557 for TRS.

Payables To The Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 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 \$111,404.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2025 are paid to the System 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 as of June 30, 2025 amounted to \$855,873.

**CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

11. PENSION PLANS

Other Benefits

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

12. POSTEMPLOYMENT BENEFITS OBLIGATION PAYABLE

A. General Information about the OPEB Plan

Plan Description - The District's defined benefit OPEB plan, provides OPEB for all permanent full-time general and public safety employees of the District. The plan is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. The Plan does not issue a separate financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

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

Benefits Provided - The District provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the District offices and are available upon request.

Employees Covered by Benefit Terms - At June 30, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	41
Inactive employees entitled to but not yet receiving benefit payments	-
Active Employees	151
Total	192

B. Total OPEB Liability

The District's total OPEB liability of \$71,295,564 was measured as of July 1, 2024 and was determined by an actuarial valuation as of July 1, 2024.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.60 percent
Salary Increases	3.00 percent, average, including inflation
Discount Rate	3.96 percent
Healthcare Cost Trend Rates	Initial rate of 7.00% decreasing to an ultimate rate of 5.00% over 55 years
Retirees' Share of Benefit-Related Costs	Varies depending on contract

**CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

12. POSTEMPLOYMENT BENEFITS OBLIGATION PAYABLE

B. Total OPEB Liability

The discount rate was based on S + P Municipal Bond 20-Year High Grade Index.

Mortality rates were based on RP-2014 mortality table, as appropriate, with adjustments for mortality improvements based on Scale MP-2024.

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

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

Termination rates are based on tables used by the New York State Teachers' Retirement System and the New York State and Local Retirement System. Rates are tiered based on the percentage of employees who will terminate employment at any given age each year, for reasons other than death or retirement.

C. Changes in the Total OPEB Liability

Balance at June 30, 2024	<u>\$ 56,216,768</u>
<u>Changes for the Year -</u>	
Service cost	\$ 797,333
Interest	2,026,054
Changes of benefit terms	-
Differences between expected and actual experience	16,648,631
Changes in assumptions or other inputs	(2,179,037)
Benefit payments	<u>(2,214,185)</u>
Net Changes	<u>\$ 15,078,796</u>
Balance at June 30, 2025	<u>\$ 71,295,564</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.65% in 2024 to 3.96% in 2025.

Sensitivity of the Total OPEB liability to Changes in the Discount Rate - The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.96%) or 1 percentage point higher (4.96%) than the current discount rate:

	1% Decrease	Discount	1% Increase
	<u>(2.96%)</u>	<u>(3.96%)</u>	<u>(4.96%)</u>
Total OPEB Liability	\$ 81,977,327	\$ 71,295,564	\$ 61,939,753

Sensitivity of the Total OPEB Liability to Change 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 (6%) or 1 percentage point higher (8%) than the current healthcare cost trend rate:

**CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

12. POSTEMPLOYMENT BENEFITS OBLIGATION PAYABLE

C. Changes in the Total OPEB Liability

	1% Decrease (6.00% Decreasing to 4.00%)	Healthcare Cost Trend Rates (7.00% Decreasing to 5.00%)	1% Increase (8.00% Decreasing to 6.00%)
Total OPEB Liability	\$ 61,969,849	\$ 71,295,564	\$ 81,733,347

D. 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 \$6,863,243. 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
Differences between expected and actual experience	\$ 11,124,982	\$ -
Changes of assumptions	-	9,957,761
Contributions after measurement date	2,160,973	-
Total	\$ 13,285,955	\$ 9,957,761

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

Fiscal Year Ending June 30,

<u>Year</u>	
2026	\$ 342,032
2027	231,884
2028	231,884
2029	231,884
2030	231,884
Thereafter	(102,347)
Total	\$ 1,167,221

13. RISK MANAGEMENT

General

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

CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

13. RISK MANAGEMENT

Consortiums and Self-Insured Plans

The District participates in the Southern Adirondack Public Schools Workers' Compensation administered by the Board of Directors which is composed of the chief executive officer or other designated officer of the districts participating in Washington-Saratoga-Warren-Hamilton-Essex BOCES, a risk-sharing pool, to insure Workers' Compensation claims. Workers' Compensation benefits are provided by the plan and administered under contract with the plan's consultant. 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. Total contributions to the plan for June 30, 2025 were \$89,081.

14. COMMITMENTS AND CONTINGENCIES

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.

There is currently one pending claim against the District with the New York State Department of Human Rights (DHR). The District's council is defending these matters and submitted responses in February 2024, there has been to change since the February filing. The District's council believes an unfavorable outcome to this matter is low. A contingent liability cannot be determined at this time.

There is currently a pending claim against the District related to real property taxes from a non-profit organization for 2017-2021. The case was dismissed by the Supreme Court on January 18, 2024. The Petitioner has filed an appeal. The District's council believes the assessment of likelihood of an unfavorable outcome is low and therefore no liability has been accrued.

15. LEASE ASSETS AND OBLIGATIONS

The District leases buses and copiers under the terms of various non-cancelable leases. Minimum annual rentals for each of the remaining years of the lease are as follows:

<u>Type</u>	<u>Balance</u> <u>7/1/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2025</u>
<u>Lease Assets:</u>				
Equipment	\$ 1,790,776	\$ 179,900	\$ 351,116	\$ 1,619,560
<i>Total Lease Assets</i>	\$ 1,790,776	\$ 179,900	\$ 351,116	\$ 1,619,560
<u>Less Accumulated Amortization -</u>				
Equipment	\$ 940,004	\$ 353,028	\$ 351,116	\$ 941,916
<i>Total Accumulated Amortization</i>	\$ 940,004	\$ 353,028	\$ 351,116	\$ 941,916
<i>Total Lease Assets, Net</i>	\$ 850,772	\$ (173,128)	\$ -	\$ 677,644

Lease agreements are summarized as follows:

	<u>Date</u>	<u>Payment</u> <u>Terms</u>	<u>Annual</u> <u>Payment</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Total</u> <u>Lease</u> <u>Liability</u>	<u>Balance</u> <u>June 30,</u> <u>2025</u>
Machinery and equipment	8/10/2021	5 years	\$ 56,964	2.137%	\$ 359,771	\$ 148,067
Machinery and equipment	1/19/2023	5 years	87,721	3.56%	395,393	166,499
Machinery and equipment	7/25/2023	5 years	89,767	5.85%	491,350	324,032
Machinery and equipment	8/9/2024	5 years	28,230	5.38%	153,615	125,385
Machinery and equipment	10/11/2024	5 years	5,632	3.56%	26,285	20,653
Machinery and equipment	6/3/2022	4 years	18,410	2.825%	33,889	3,991
Total Lease Agreements						<u>\$ 788,627</u>

**CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

15. LEASE ASSETS AND OBLIGATIONS

The buses and copier were leased for the District with the terms noted above. These leases are not renewable and the District will not acquire the buses or the equipment at the end of the five years.

Annual requirements to amortize long-term obligations and related interest are as follows:

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 332,014	\$ 35,557
2027	188,239	23,392
2028	205,327	20,482
2029	30,786	3,469
2030	32,261	1,935
	<u>\$ 788,627</u>	<u>\$ 84,835</u>

16. TAX ABATEMENTS

The Counties of Warren and Washington IDA enter into various property tax abatement programs for the purpose of economic development. There were no property tax abatements or payment in Lieu of Tax (PILOT) for the year end June 30, 2025.

17. CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE AND ERROR CORRECTION

Cumulative Effect of Change in Accounting Principle

For the year ended June 30, 2025, the District implemented GASB Statement No. 101, *Compensated Absences*. The implementation of the statement changes the calculation of compensated absences based on estimates and rates defined in the standard. As a result a cumulative adjustment to compensated absences at July 1, 2024 was made.

Error Correction

For the year ended June 30, 2025, the District performed a full appraisal over capital assets resulting in a correction to a prior period to record additional capital assets (net of accumulated depreciation) identified as a result of that appraisal.

Our opinion is not modified with respect to these matters. The adjustment recorded to the opening net position is summarized below:

	Government-Wide Statements
Net position beginning of year, as originally reported	\$ (62,876,085)
Adjustments for compensated absences	(766,666)
Adjustments for capital assets	413,984
Net position beginning of year, as restated	<u>\$ (63,228,767)</u>

**CAMBRIDGE CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

18. SUBSEQUENT EVENTS

The District has evaluated subsequent events through October 2, 2025, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of June 30, 2025 have been incorporated into these statements herein.

Required Supplementary Information
CAMBRIDGE CENTRAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Equity -
Budget and Actual - General Fund
For The Year Ended June 30, 2025

	<u>Original</u> <u>Budget</u>	<u>Amended</u> <u>Budget</u>	<u>Current</u> <u>Year's</u> <u>Revenues</u>	<u>Over (Under)</u> <u>Revised</u> <u>Budget</u>
REVENUES				
Local Sources -				
Real property taxes	\$ 9,077,959	\$ 9,077,959	\$ 9,094,064	\$ 16,105
Real property tax items	777,661	777,661	757,815	(19,846)
Charges for services	71,382	71,382	115,490	44,108
Use of money and property	200,000	200,000	291,871	91,871
Sale of property and compensation for loss	20,240	20,240	61,465	41,225
Miscellaneous	232,000	232,000	208,195	(23,805)
State Sources -				
Basic formula	11,946,466	11,946,466	11,311,144	(635,322)
Lottery aid	1,845,726	1,845,726	2,041,768	196,042
BOCES	914,682	914,682	753,052	(161,630)
Textbooks	58,106	58,106	45,319	(12,787)
All Other Aid -				
Computer software	13,443	13,443	24,906	11,463
Library loan	5,181	5,181	4,887	(294)
Other aid	-	-	50,659	50,659
Federal Sources	145,000	145,000	144,911	(89)
TOTAL REVENUES	<u>\$ 25,307,846</u>	<u>\$ 25,307,846</u>	<u>\$ 24,905,546</u>	<u>\$ (402,300)</u>
Other Sources -				
Transfer - in	\$ -	\$ -	\$ 4,621	\$ 4,621
Proceeds from obligations - leases	-	-	26,285	26,285
TOTAL REVENUES AND OTHER SOURCES	<u>\$ 25,307,846</u>	<u>\$ 25,307,846</u>	<u>\$ 24,936,452</u>	<u>\$ (371,394)</u>
Appropriated reserves	<u>\$ 100,041</u>	<u>\$ 925,160</u>		
Appropriated fund equity	<u>\$ 800,000</u>	<u>\$ 800,000</u>		
Prior year encumbrances	<u>\$ 241,901</u>	<u>\$ 241,901</u>		
TOTAL REVENUES AND APPROPRIATED RESERVES/ FUND EQUITY	<u><u>\$ 26,449,788</u></u>	<u><u>\$ 27,274,907</u></u>		

Required Supplementary Information
CAMBRIDGE CENTRAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Equity -
Budget and Actual - General Fund
For The Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Current Year's Expenditures</u>	<u>Encumbrances</u>	<u>Unencumbered Balances</u>
EXPENDITURES					
General Support -					
Board of education	\$ 101,640	\$ 103,565	\$ 90,974	\$ -	\$ 12,591
Central administration	180,870	180,980	103,321	3,137	74,522
Finance	423,305	411,235	361,896	-	49,339
Staff	210,600	191,400	166,136	-	25,264
Central services	1,879,052	1,936,771	1,705,211	58,289	173,271
Special items	251,287	271,287	263,687	-	7,600
Instructional -					
Instruction, administration and improvement	915,185	828,123	779,395	-	48,728
Teaching - regular school	5,377,545	5,479,505	5,341,458	1,817	136,230
Programs for children with handicapping conditions	2,647,076	2,744,674	2,509,186	1,719	233,769
Occupational education	556,261	527,411	522,526	-	4,885
Teaching - special schools	43,150	28,161	25,896	33	2,232
Instructional media	525,119	520,354	513,411	21	6,922
Pupil services	1,249,835	1,166,589	985,861	7,801	172,927
Pupil Transportation	1,799,268	1,609,338	1,413,281	1,905	194,152
Employee Benefits	7,314,461	7,353,442	6,614,626	-	738,816
Debt service - principal	2,307,516	2,588,696	2,588,696	-	-
Debt service - interest	480,618	521,376	521,375	-	1
TOTAL EXPENDITURES	<u>\$ 26,262,788</u>	<u>\$ 26,462,907</u>	<u>\$ 24,506,936</u>	<u>\$ 74,722</u>	<u>\$ 1,881,249</u>
Other Uses -					
Transfers - out	\$ 187,000	\$ 812,000	\$ 809,047	\$ -	\$ 2,953
TOTAL EXPENDITURES AND OTHER USES	<u>\$ 26,449,788</u>	<u>\$ 27,274,907</u>	<u>\$ 25,315,983</u>	<u>\$ 74,722</u>	<u>\$ 1,884,202</u>
NET CHANGE IN FUND EQUITY	\$ -	\$ -	\$ (379,531)		
FUND EQUITY, BEGINNING OF YEAR	<u>5,555,252</u>	<u>5,555,252</u>	<u>5,555,252</u>		
FUND EQUITY, END OF YEAR	<u><u>\$ 5,555,252</u></u>	<u><u>\$ 5,555,252</u></u>	<u><u>\$ 5,175,721</u></u>		

Required Supplementary Information
CAMBRIDGE CENTRAL SCHOOL DISTRICT
Schedule of Changes in Total OPEB Liability
For The Year Ended June 30, 2025

	TOTAL OPEB LIABILITY							
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 797,333	\$ 759,365	\$ 2,465,586	\$ 2,348,177	\$ 1,745,898	\$ 1,662,760	\$ 2,159,075	\$ 2,159,075
Interest	2,026,054	1,970,842	1,533,070	1,506,493	1,666,242	1,695,588	1,551,372	1,324,770
Changes in benefit terms	-	-	-	550,743	-	-	(1,136,803)	-
Differences between expected and actual experiences	16,648,631	-	(4,398,203)	-	10,554,701	-	(119,230)	-
Changes of assumptions or other inputs	(2,179,037)	(818,790)	(12,220,725)	-	7,934,411	1,570,834	(92,594)	(4,459,096)
Benefit payments	<u>(2,214,185)</u>	<u>(1,976,951)</u>	<u>(1,680,228)</u>	<u>(1,631,310)</u>	<u>(1,381,804)</u>	<u>(1,243,331)</u>	<u>(1,376,114)</u>	<u>(1,207,118)</u>
Net Change in Total OPEB Liability	\$ 15,078,796	\$ (65,534)	\$ (14,300,500)	\$ 2,774,103	\$ 20,519,448	\$ 3,685,851	\$ 985,706	\$ (2,182,369)
Total OPEB Liability - Beginning	\$ 56,216,768	\$ 56,282,302	\$ 70,582,802	\$ 67,808,699	\$ 47,289,251	\$ 43,603,400	\$ 42,617,694	\$ 44,800,063
Total OPEB Liability - Ending	\$ 71,295,564	\$ 56,216,768	\$ 56,282,302	\$ 70,582,802	\$ 67,808,699	\$ 47,289,251	\$ 43,603,400	\$ 42,617,694
Covered Employee Payroll	\$ 10,280,590	\$ 10,758,519	\$ 10,257,666	\$ 9,302,424	\$ 6,921,111	\$ 9,762,279	\$ 9,669,617	\$ 9,224,782
Total OPEB Liability as a Percentage of Covered Employee Payroll	693.50%	522.53%	548.69%	758.76%	979.74%	484.41%	450.93%	461.99%

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

Required Supplementary Information
CAMBRIDGE CENTRAL SCHOOL DISTRICT
Schedules of the Proportionate Share of the Net Pension (Liability) Asset
For The Year Ended June 30, 2025

NYSERS Pension Plan								
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the net pension (liability) assets	0.0054%	0.0060%	0.0057%	0.0052%	0.0056%	0.0057%	0.0056%	0.0057%
Proportionate share of the net pension (liability) assets	\$ (925,226)	\$ (880,948)	\$ (1,224,420)	\$ 428,906	\$ 5,552	\$ 1,515,215	\$ 399,000	\$ 183,730
Covered-employee payroll	\$ 2,612,613	\$ 2,309,264	\$ 2,252,705	\$ 1,907,404	\$ 1,925,805	\$ 2,095,148	\$ 2,140,883	\$ 1,934,725
Proportionate share of the net pension (liability) assets as a percentage of its covered-employee payroll	-35.414%	-38.148%	-54.353%	22.486%	0.288%	72.320%	18.637%	9.496%
Plan fiduciary net position as a percentage of the total pension liability	93.08%	93.88%	103.65%	103.65%	99.95%	86.39%	96.27%	98.24%

NYSTRS Pension Plan								
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the net pension (liability) assets	0.0421%	0.0420%	0.0417%	0.0401%	0.0424%	0.0424%	0.0423%	0.0425%
Proportionate share of the net pension (liability) assets	\$ 1,255,360	\$ (480,089)	\$ (801,017)	\$ 6,947,552	\$ 1,171,260	\$ 1,101,953	\$ 764,792	\$ 323,091
Covered-employee payroll	\$ 9,253,518	\$ 8,449,255	\$ 8,004,961	\$ 7,395,021	\$ 6,921,111	\$ 7,199,614	\$ 6,987,996	\$ 7,032,856
Proportionate share of the net pension (liability) assets as a percentage of its covered-employee payroll	13.566%	-5.682%	-10.007%	93.949%	16.923%	15.306%	10.944%	4.594%
Plan fiduciary net position as a percentage of the total pension liability	102.1%	99.20%	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present. Note data was not available for a complete presentation until 6/30/2018.

Required Supplementary Information
CAMBRIDGE CENTRAL SCHOOL DISTRICT
Schedules of District Contributions
For The Year Ended June 30, 2025

NYSERS Pension Plan								
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 309,510	\$ 272,576	\$ 238,196	\$ 243,852	\$ 279,567	\$ 260,863	\$ 306,730	\$ 257,185
Contributions in relation to the contractually required contribution	(309,510)	(272,576)	(238,196)	(243,852)	(279,567)	(260,863)	(306,730)	(257,185)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 2,612,613	\$ 2,309,264	\$ 2,252,705	\$ 1,907,404	\$ 1,925,805	\$ 2,095,148	\$ 2,140,883	\$ 1,934,725
Contributions as a percentage of covered-employee payroll	11.85%	11.80%	10.57%	12.78%	14.52%	12.45%	14.33%	13.29%

NYSTRS Pension Plan								
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 784,084	\$ 797,838	\$ 724,712	\$ 724,712	\$ 631,444	\$ 607,270	\$ 675,148	\$ 789,444
Contributions in relation to the contractually required contribution	(784,084)	(797,838)	(724,712)	(724,712)	(631,444)	(607,270)	(675,148)	(789,444)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 9,253,518	\$ 8,449,255	\$ 8,004,961	\$ 7,395,021	\$ 6,921,111	\$ 7,199,614	\$ 6,987,996	\$ 7,032,856
Contributions as a percentage of covered-employee payroll	8.47%	9.44%	9.05%	9.80%	9.12%	8.43%	9.66%	11.23%

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present. Note data was not available for a complete presentation until 6/30/2018.

Supplementary Information
CAMBRIDGE CENTRAL SCHOOL DISTRICT
Schedule of Changes From Adopted Budget To Final Budget
And The Schedule of Real Property Tax Limit
For The Year Ended June 30, 2025

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET:

Adopted budget	\$ 26,207,887
Prior year's encumbrances	<u>241,901</u>
Original Budget	\$ 26,449,788
Budget revisions -	
Capital Reserve	625,000
Employee Benefit Accrued Liability Reserve	<u>200,119</u>
FINAL BUDGET	<u><u>\$ 27,274,907</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION:

2025-26 voter approved expenditure budget	\$ 26,879,909
<u>Unrestricted fund equity:</u>	
Assigned fund equity	\$ 1,074,722
Unassigned fund equity	<u>1,162,652</u>
Total Unrestricted fund equity	<u>\$ 2,237,374</u>
<u>Less adjustments:</u>	
Appropriated fund equity	\$ 1,000,000
Encumbrances included in assigned fund equity	<u>74,722</u>
Total adjustments	<u>\$ 1,074,722</u>
General fund fund equity subject to Section 1318 of	
Real Property Tax Law	<u>1,162,652</u>
ACTUAL PERCENTAGE	<u><u>4.33%</u></u>

Supplementary Information
CAMBRIDGE CENTRAL SCHOOL DISTRICT
Schedule of Project Expenditures - Capital Projects Fund
For The Year Ended June 30, 2025

<u>Project Title</u>	<u>Original Appropriation</u>	<u>Revised Appropriation</u>	<u>Expenditures</u>			<u>Unexpended Balance</u>	<u>Methods of Financing</u>				<u>Fund Equity</u>
			<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>		<u>Obligations</u>	<u>Local Sources</u>	<u>State Sources</u>	<u>Total</u>	
Project 20 # 002-027	\$ 9,400,000	\$ 10,034,674	\$ 10,034,674	\$ -	\$ 10,034,674	\$ -	\$ 9,934,674	\$ 100,000	\$ -	\$ 10,034,674	\$ -
Project 23 # 002-033	100,000	100,000	100,000	-	100,000	-	-	100,000	-	100,000	-
Project 24	100,000	100,000	95,379	4,621	100,000	-	-	100,000	-	100,000	-
Project 25	100,000	100,000	-	95,206	95,206	4,794	-	100,000	-	100,000	4,794
Project 25	11,113,696	11,113,696	-	1,569,716	1,569,716	9,543,980	72,160	625,001	-	697,161	(872,555)
Emergency Transportation # 5012	105,000	105,000	105,000	-	105,000	-	-	105,000	-	105,000	-
Smart School Bond Act	914,980	914,980	363,430	-	363,430	551,550	-	-	363,430	363,430	-
Buses	-	-	72,981	-	72,981	(72,981)	72,981	-	-	72,981	-
Lease Expense	-	-	-	153,615	153,615	(153,615)	153,615	-	-	153,615	-
TOTAL	\$ 21,833,676	\$ 22,468,350	\$ 10,771,464	\$ 1,823,158	\$ 12,594,622	\$ 9,873,728	\$ 10,233,430	\$ 1,130,001	\$ 363,430	\$ 11,726,861	\$ (867,761)

Supplementary Information
CAMBRIDGE CENTRAL SCHOOL DISTRICT
Schedule of Net Investment in Capital and Lease Assets
June 30, 2025

Capital and lease assets, net		\$ 15,252,785
Add:		
Cash on hand	<u>\$ 9,768,186</u>	9,768,186
Deduct:		
Bond payable	\$ 16,720,000	
Retainage payable	32,808	
Unamortized bond premium	220,620	
Bond anticipation notes payable	10,200,000	
Lease Liability	<u>788,627</u>	
		<u>27,962,055</u>
Net Investment in Capital and Lease Assets		<u><u>\$ (2,941,084)</u></u>



BUSINESS
ADVISORS
AND CPAS

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

To the President and Members of the Board of Education of
Cambridge Central School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the government activities, each major fund and fiduciary fund of Cambridge 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 2, 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 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 were not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control we considered to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2025-001 we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2025-002.

Districts Responses to Findings

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

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.

Mengel, Metzger, Barw & Co. LLP

Latham, NY

October 2, 2025

**CAMBRIDGE CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2025**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued

unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____yes X_____no
- Significant deficiency(ies) identified? _____X_____yes _____none reported

Noncompliance material to financial statements noted?

X_____yes _____no

Section II: Financial Statement Findings

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

Significant Deficiency

2025-001 Audit adjustments

Statement of Condition: The District is at the beginning of a capital project, services rendered through year end should be accrued in the capital fund.

Criteria: To accurately present the financial position of the District, general ledger accounts should be reconciled and monitored throughout the year and at year end by management.

Cause of Condition: The District did not identify items related to the capital project that needed to be accrued at year end.

Effect of Condition: In the Capital Fund, expenditures and accounts payable were understated by \$429,057.

Context: As part of the audit procedures expenditures are reviewed subsequent to year end for proper cutoff as well as inquiries of invoices that have been received but not yet processed.

Recommendation: We recommend the District reconcile capital project costs throughout the year and review for work completed at yearend to ensure items have been properly accrued.

Views of Responsible Officials and Planned Corrective Action: The District acknowledges the finding and agrees with the recommendation. To address this issue the Business Office will establish a process to record and reconcile capital project expenditures on a regular basis. Michele Hogan will be responsible and began this implementation on August 26, 2025 with an anticipated completion date of December 19, 2025. At year end, invoices, contracts and project reports will be reviewed to ensure all services performed are accrued properly. Michele Hogan and Aimee Skiff will be responsible with an anticipated completion date of June 12, 2026.

**CAMBRIDGE CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2025**

Section II: Financial Statement Findings

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

Noncompliance Material to the Financial Statements

2025-002 Compliance with New York State Real Property Tax Law

Statement of Condition: The unassigned fund balance of the general fund exceeds 4% of the 25/26 general fund budget by \$87,456.

Criteria: NYS Real Property Tax Law 1318 limits the amount of unassigned fund balance a District can have to no more than 4% of the general fund budget for the ensuing fiscal year.

Cause: The cumulative effect of expenditures being significantly under budget.

Effect of Condition: The District was not in compliance with Real Property Tax Law.

Context: As part of the audit procedures compliance with the NYS Real Property Tax Law 1318 limits is reviewed.

Recommendation: The District should develop a plan regarding how to address and use the excess in future years.

Views of Responsible Officials and Planned Corrective Action: The District acknowledges this finding and is aware that the unassigned fund balance is above the statutory 4% limit. Given the current economic conditions – including rising costs, uncertainty in state aid, and inflationary pressures – the District believes that maintaining a higher fund balance at this time is prudent and in the best interest of the District and its taxpayers. While the District is comfortable with this finding under present conditions, it will continue to manage fund balance responsibly and in compliance with applicable laws and regulations. Fund balance will be reviewed with the Board as part of its regular financial review process. Michele Hogan and Aimee Skiff will be responsible and will begin this process on January 8, 2026. The District will incorporate multi-year financial projections into the budget process to help balance that need for adequate reserves with compliance to statutory limits, ensuring stability through changing economic conditions. Michele Hogan will be responsible and will begin this process on February 12, 2026.

**CAMBRIDGE CENTRAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025**

Section III: Summary of Prior Audit Findings

2024-001 Capital Assets

Statement of Condition: The net capital asset balance does agree to supported District records, however in viewing the invested in capital assets, net of related debt it appears the balance is negative. This would indicate that the District has issued debt and perhaps not capitalized the assets this debt relates to, or there has been debt issued that was not for the reconstruction of capital assets.

Status: This item has been corrected

2024-002 Compliance with Tax Certiorari Reserve Fund Balance

Statement of Condition: The tax certiorari reserve exceeds anticipated claims.

Status: This item has been corrected