

**SCHODACK CENTRAL SCHOOL DISTRICT**

**Financial Statements and Required Reports  
Under Uniform Guidance  
As of and For the Year Ended  
June 30, 2022**

**Together with Independent Auditor's Report**

**Bonadio & Co., LLP**  
Certified Public Accountants

## CONTENTS

	<u>Page</u>
<b>INDEPENDENT AUDITOR'S REPORT</b> .....	1-3
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)</b> .....	4-14
<b>FINANCIAL STATEMENTS</b>	
Statement of net position .....	15
Statement of activities .....	16
Balance sheet – Governmental funds .....	17-18
Reconciliation of total governmental fund balance to government-wide net position.....	19
Statement of revenue, expenditures, and changes in fund balance – Governmental funds.	20
Reconciliation of the statement of revenue, expenditures, and changes in fund balance to the statement of activities .....	21
Notes to financial statements.....	22-51
<b>REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)</b>	
Schedule of revenue, expenditures, and changes in fund balance – Budget and actual - General fund.....	52-53
Schedule of proportionate share of net pension liability (asset).....	54
Schedule of contributions – Pension Plans.....	55
Schedule of changes in total OPEB Liability and related ratios.....	56
<b>SUPPLEMENTARY INFORMATION:</b>	
Schedule of combining balance sheet – non-major governmental funds.....	57
Schedule of combining statement of revenues, expenditures and changes in fund balances – non-major governmental funds.....	58

## C O N T E N T S (Continued)

	<u>Page</u>
<b>OTHER INFORMATION (UNAUDITED)</b>	
Schedule of change from original budget to revised budget – General fund .....	59
Section 1318 of Real Property Tax Law Limit Calculation – General fund.....	59
Schedule of project expenditures - Capital projects fund .....	60
Schedule of net investment in capital assets .....	61
<b>REQUIRED REPORTS UNDER UNIFORM GUIDANCE</b>	
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 <i>Government Auditing Standards</i> .....	62-63
Independent auditor’s report on compliance for each major federal program and on internal control over compliance required by Uniform Guidance .....	64-66
Schedule of expenditures of federal awards.....	67
Notes to the schedule of expenditures of federal awards .....	68
Schedule of findings and questioned costs .....	69-70

## **INDEPENDENT AUDITOR'S REPORT**

October 12, 2022

To the Board of Education of  
Schodack Central School District:

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Schodack Central School District (School District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Schodack Central School District, as of June 30, 2022, 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 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 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.

#### ***Emphasis of Matter – Change in Accounting Principle***

As discussed in Note 16 to the financial statements, during the year ended June 30, 2022, the School District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87 - *Leases*. Our opinions are not modified with respect to this matter.

#### ***Correction of Error***

As discussed in Note 16 to the financial statements, beginning net position and beginning miscellaneous special revenue fund balance have been adjusted to correct misstatements in the prior year's financial statement. Our opinions are not modified with respect to this matter.

6 Wembley Court  
Albany, New York 12205  
p (518) 464-4080  
f (518) 464-4087

www.bonadio.com

(Continued)

## **INDEPENDENT AUDITOR'S REPORT (Continued)**

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of proportionate share of net pension (asset) liability and contributions – pension plans and changes in total OPEB liability, and related ratios be presented to supplement the basic financial statements.

(Continued)

## **INDEPENDENT AUDITOR'S REPORT (Continued)**

### ***Required Supplementary Information (Continued)***

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 School District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the financial statements. The other information comprises the Schedule of Change from Original Budget to Revised Budget and the Real Property Tax Limit - General Fund, Schedule of Project Expenditures - Capital Projects Fund and the Schedule of Net Investment in Capital Assets, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2022, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

# SCHODACK CENTRAL SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE FISCAL YEAR ENDED JUNE 30, 2022

---

*The following is a discussion and analysis of Schodack Central School District's (School District) financial performance for the fiscal year ended June 30, 2022. This section is a summary of the School 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 School District's financial statements, which immediately follow this section.*

### FINANCIAL HIGHLIGHTS

- Government-wide net position of the School District was (\$36,903,595).
- Government-wide net position was \$2,445,336 greater than at June 30, 2021.
- Combined fund balance was \$9,588,293.
- Combined fund balance was \$704,185 greater than at June 30, 2021.
- The School District substantially continued to offer all programs, without reducing services, while maintaining fund balance.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

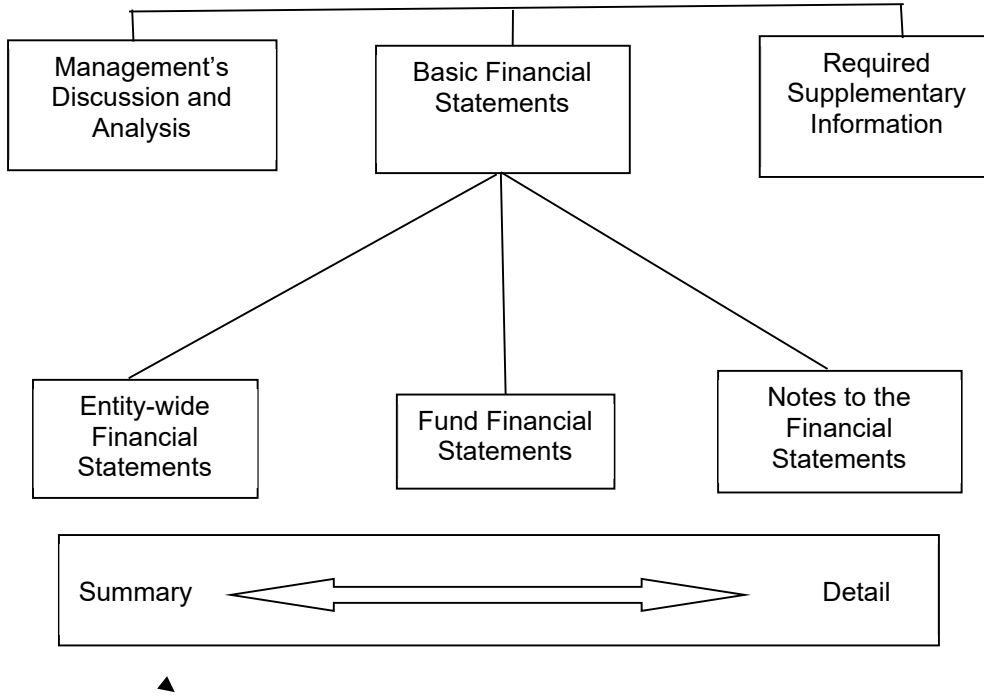
- The first two statements are *Government-wide* financial statements that provide both *short-term* and *long-term* information about the School District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the School District, reporting the School District's operations in *more detail* than the Government-wide statements.
- The *governmental funds statements* tell how basic services, such as special education, were financed in the *short-term*.

The financial statements also include notes that provide additional information about the financial statements and the balances reported. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year.

## OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Figure A-1 shows how the various sections of this annual report are arranged and related to one another.

**Figure A-1 Organization of the School District's Annual Financial Report**





## OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Figure A-2 summarizes the major features of the School District's financial statements, including the portion of the School District's activities that they cover and the types of information that they contain. The remainder of this overview section highlights the structure and contents of each statement.

**Figure A-2 Major Features of the Government-Wide and Fund Financial Statements**

	Government-Wide	Fund Financial Statements
	Government-Wide	Governmental Funds
Scope	Entire School District	The daily operating activities of the School District, such as instruction and special education.
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenue, expenditures, and change in fund balance</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial focus.
Type of asset/liability, deferred outflows/inflows of resources information	All assets, liabilities, deferred outflows & inflows of resources both financial and capital, short-term and long-term debt.	Current assets and liabilities that come due during the year or soon after; no capital assets or long-term liabilities included.
Type of inflow/outflow information	All revenue and expenses during the year, regardless of when cash is received or paid.	Revenue 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.

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

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

- Over time, increases or decreases in the School District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- For assessment of the overall health of the School District, additional nonfinancial factors such as changes in the property tax bases and the condition of buildings and other facilities should be considered.

## **OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

Net position of the governmental activities differ from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets are reported as expenditures when financial resources, (dollars), are expended to purchase or build such assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. Principal and interest payments are considered expenditures when paid. Depreciation is not calculated. Capital assets and long-term debt are accounted for in account groups and do not affect the fund balances.

Government-wide statements use an economic resources measurement focus and full accrual basis of accounting that involves the following steps to prepare the statement of net position:

- Capitalize current outlays for capital assets.
- Report long-term debt as a liability.
- Depreciate capital assets and allocate the depreciation to the proper function.
- Calculate revenue and expenses using the economic resources measurement focus and the full accrual basis of accounting.
- Allocate net position balances as follows:
  - Net investment in capital assets.
  - Restricted net position has constraints placed on use by external sources or imposed by law.
  - 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 School District's funds – not the School District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs. The funds have been established by the State of New York.

The School District has the following types of funds:

- **Governmental Funds:** Most of the School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets 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 School District's programs. Because this information does not encompass the additional long-term focus of the Government-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them. The governmental fund statements focus primarily on current financial resources and often have a budgetary orientation. Governmental funds include the general fund, special aid fund, school lunch fund, debt service fund, capital projects fund, and the miscellaneous special revenue fund. Required financial statements are the balance sheet and the statement of revenue, expenditures, and changes in fund balance.

## FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

**Figure A-3 Condensed Statement of Net Position (In Thousands of Dollars)**

	<u>Fiscal Year 2022</u>	<u>Fiscal Year 2021</u>	<u>Percent Change</u>
Current and other assets	\$ 12,111	\$ 11,243	7.72%
Capital Assets	-	39,137	-100.00%
Noncurrent assets	<u>39,152</u>	<u>-</u>	100.00%
Total assets	<u>51,263</u>	<u>50,380</u>	1.75%
Deferred outflows of resources	<u>12,777</u>	<u>14,887</u>	-14.17%
Current liabilities	3,642	4,153	-12.30%
Long-term liabilities	<u>79,334</u>	<u>96,153</u>	-17.49%
Total liabilities	<u>82,976</u>	<u>100,306</u>	-17.28%
Deferred inflows of resources	<u>27,002</u>	<u>6,283</u>	329.76%
Net position:			
Net investment in capital assets	13,805	10,630	29.86%
Restricted	7,431	4,952	50.06%
Unrestricted	<u>(58,139)</u>	<u>(56,903)</u>	-2.17%
Total net position	<u>\$ (36,904)</u>	<u>\$ (41,321)</u>	10.69%

The change in deferred outflows of resources is primarily due to a change in assumptions used by the actuary in calculating Other Post-Employment Benefits liability and pensions.

The long-term liabilities decreased in current year due to a decrease in Other Post-Employment Benefits liability.

### Changes in Net Position

The School District's 2022 revenue was \$27,131,506 (See Figure A-4). Property taxes and New York State aid accounted for the majority of revenue by contributing 49% and 36%, respectively, of the total revenue raised (see Figure A-5). The remainder of revenue came from investment earnings, federal aid, grants, space rentals, school lunch sales, charges for services, and other miscellaneous sources.

The total cost of all programs and services totaled \$24,686,170 for 2022. These expenses are predominately for the education, supervision, and transportation of students (see Figure A-6). The School District's administrative and business activities accounted for 14% of total costs.

Net position increased during the year by \$2,445,336 due primarily to the effects of recognizing other post-employment benefits as well as the effects of ERS and TRS proportionate assets, deferred outflows, liabilities and deferred inflows.

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)**

**Changes in Net Position (Continued)**

**Figure A-4 Changes in Net Position from Operating Results (In Thousands of Dollars)**

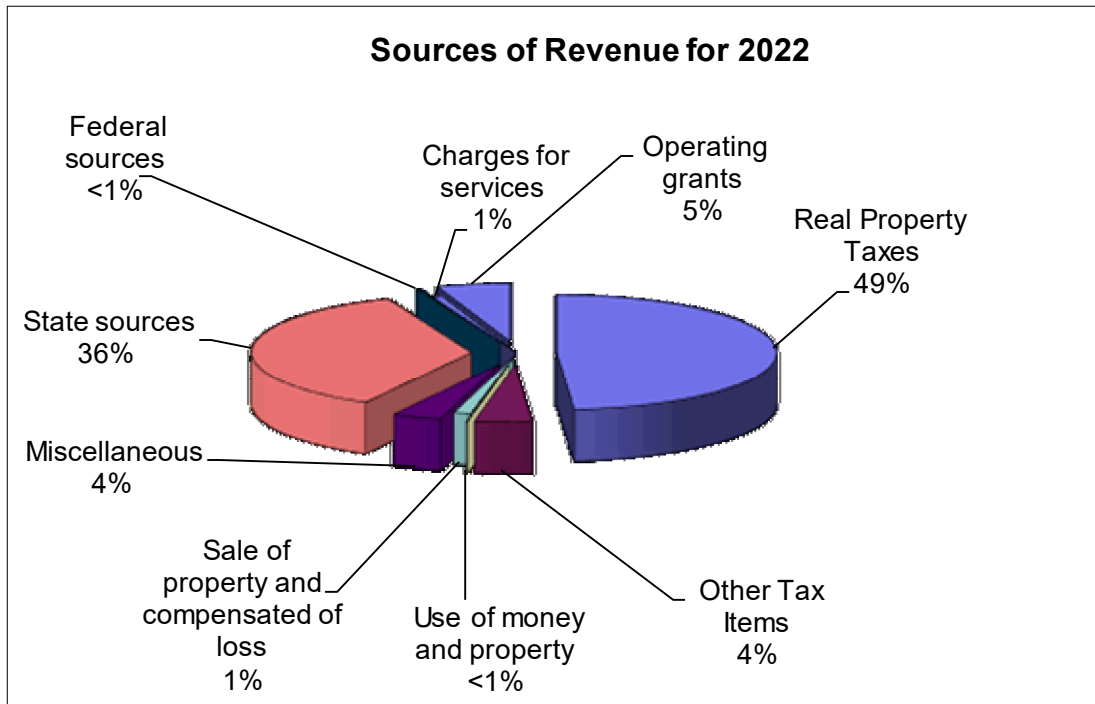
	<u>Fiscal Year 2022</u>	<u>Fiscal Year 2021</u>	<u>Percent Change</u>
Revenue:			
Charges for services	\$ 197	\$ 193	1.98%
Operating grants	1,442	668	115.90%
Capital grants	-	281	-100.00%
General revenue:			
Property taxes	13,222	12,912	2.40%
Other property tax items	1,146	1,184	-3.21%
Use of money and property	34	372	-90.80%
Sale of property and compensation for loss	343	-	100.00%
State aid	9,724	9,675	0.51%
Federal	-	152	
Medicaid reimbursement	39	-	100.00%
Miscellaneous	984	513	91.82%
Total revenue	<u>27,132</u>	<u>25,950</u>	4.55%
Expenses:			
General support	3,436	4,715	-27.14%
Instruction	17,362	19,104	-9.12%
Transportation	2,688	2,151	24.96%
Debt service - Interest	540	1,005	-46.29%
Cost of sales - Food	661	291	127.15%
Total expenses	<u>24,686</u>	<u>27,266</u>	-9.46%
Change in net position	<u>\$ 2,445</u>	<u>\$ (1,316)</u>	285.82%

Significant changes in revenue from 2020/2021 to 2021/2022 school year included Federal grants, Medicaid reimbursement and additional cost savings realized in participating in cooperative programs such as health insurance and Workers Compensation programs. The School District realized lower revenue from the Continuing Education program as it was on hold for the entire school year.

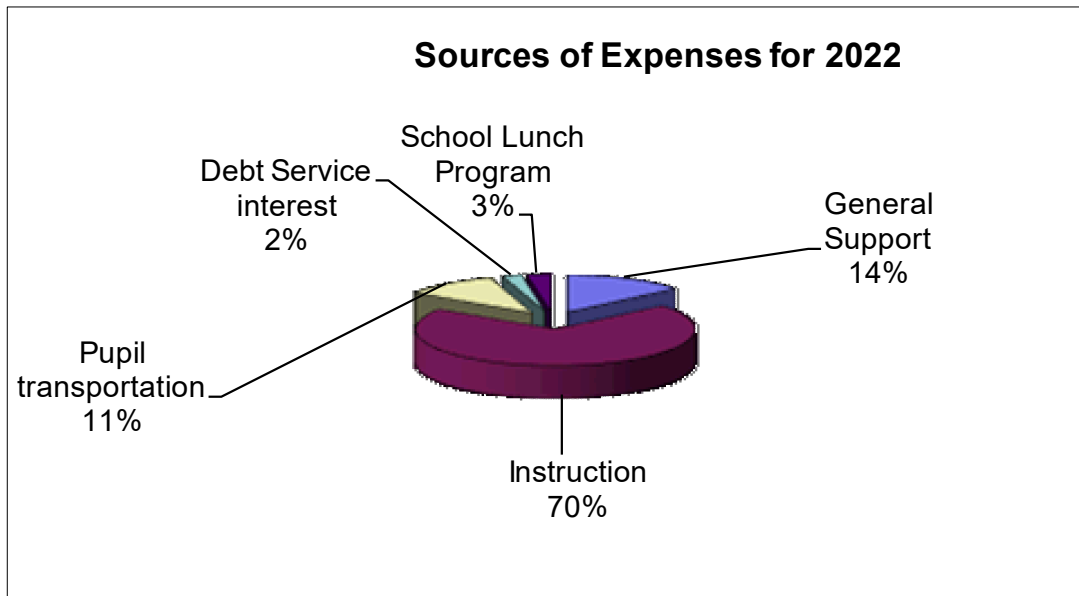
Significant changes in expenditures from 2020/2021 to 2021/2022 school year included lower costs in general support of the School District, instructional support, and interest paid on School District debt service. Higher costs year over year were found in transportation as the School District went back to full operation and in the school food program as all students were able to eat breakfast and lunch for free.

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)**

**Figure A-5: Revenue Sources for 2022:**



**Figure A-6: Sources of Expenses for 2022:**



## FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

### Governmental Activities

Revenue for the School District's governmental activities totaled \$27,131,506 while total expenses were \$24,686,170. Accordingly, net position increased by \$2,445,336. The continuation of the School District's solid financial condition can be contributed to:

- Effective leadership by the administration and the Board of Education.
- Community support for the School District's annual budget.
- Savings generated in employee benefits (health insurance, workers compensation) due to School District participation in health insurance and workers compensation consortiums.
- Strategic use of services from the BOCES.
- Conservative revenue budgeting.

Figure A-7 presents the cost of several of the School District's major activities. The figure also shows each activity's net cost (total cost less fees generated by the activity and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the School District's taxpayers by each of these functions.

**Figure A-7 Net Cost of Governmental Activities (In Thousands of Dollars)**

	<b>Total Cost of Services <u>2022</u></b>	<b>Net Cost of Services <u>2022</u></b>	<b>Total Cost of Services <u>2021</u></b>	<b>Net Cost of Services <u>2021</u></b>
General support	\$ 3,436	\$ 3,436	\$ 4,715	\$ 4,496
Instruction	17,362	16,353	19,104	18,530
Pupil transportation	2,688	2,688	2,151	2,128
Debt service - Interest	540	540	1,005	1,005
Cost of sales - Food	661	32	291	(35)
	<u>\$ 24,686</u>	<u>\$ 23,047</u>	<u>\$ 27,266</u>	<u>\$ 26,124</u>

The cost of all governmental activities for the year was \$24,686,170.

- The users of the School District's programs financed \$196,812 of the costs through charges for services.
- The federal and state government financed \$1,442,241 of the costs through operating grants.
- The majority of costs were financed by the School District's taxpayers and unallocated NYS aid.

## FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

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

### Governmental Funds Highlights

**General Fund** – The School District's budget is prepared in accordance with New York State law and is based on the modified accrual basis of accounting, utilizing cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

The original budget for the General Fund was revised by \$62,037 during the year. The supplemental appropriations consist of \$59,862 for insurance recovery for a school bus replacement, due to damage from an accident, and \$2,175 in donations.

## FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)

### Governmental Funds Highlights

In the General Fund for the year-ended, June 30, 2022, actual expenditures exceeded revenues by \$1,975,568 and the School District continued to offer a full educational program. Significant revenue sources include Real Property Taxes, STAR Reimbursement and Other Tax Items, and State Aid. New York State operating aid is tied to the growth in New York State personal income and the available funds in the state budget. Actual expenditures and encumbrances were \$1,010,544 less than revised budget. For the fiscal year 2022-2023, the School District has appropriated \$750,000 of fund balance to reduce the tax levy.

The total fund balance in the General Fund decreased by \$1,975,568, during the 2021-2022 school year. At June 30, 2022, unassigned fund balance amounts to \$1,075,662 and total restricted fund balance is \$4,218,416.

Significant favorable expense variances were reflected in the governmental funds financial statements for 2021-2022 in the areas of Special Education and Employee Benefits. Special education savings were generated from contractual services and subsidies from the Special Aid grants. Employee benefits reflected health insurance plans reflecting favorable experience and below market rate increases in Blue Shield and CDPHP plans, as well as pension savings reflecting the introduction of Tier V and VI in recent budget years.

Special Aid Fund – Between ARP and CRRSA monies, the School District received \$1,853,834 of additional grant funds, to be applied over several years.

School Lunch Fund – The fund ended the year with a fund balance of \$140,386, which is an increase of \$19,438 from prior year. The main factor for the increase in the school lunch fund was the significant increase in student participation in the food service program.

Capital Projects Fund – The fund ended the year with a fund balance of \$2,945,727, an increase of \$3,054,029 from prior year. The increase in fund balance is due to moving funds from the Capital Reserve in the General Fund, to the Capital Fund. This was done to cover the cost of the Jr./Sr. High School roof project.

Debt Service Fund – The fund ended the year with a fund balance of \$3,877.

Miscellaneous Special Revenue Fund – The fund ended the year with a fund balance of \$262,756. This fund includes scholarships, extracurricular activities, and student/faculty deposits.

### General Fund Budgetary Highlights

This section presents an analysis of significant variances between original and final budget amounts and between final budget amounts and actual results for the general fund.

#### Revenue Variances

During the fiscal year ending June 30, 2022, there was a revenue budget surplus. On the revenue side, use of money and property shows a positive variance associated with distance learning earned more revenue than expected. YMCA began an after-school program that wasn't budgeted for. Miscellaneous revenue shows a positive variance primarily associated with a large pharmacy true-up payment, and insurance proceeds from a bus accident.

#### Expenditure Variances

The School District has a net favorable budgetary surplus of \$1,767,879. In the Instructional category, some additional employees were hired due to COVID protocols and mental health. Many new hires were paid using ARP and CRRSA grant funds. Pupil transportation shows a favorable variance due to retired mechanics and bus drivers with replacements at a lower pay, as well as consolidated bus runs, creating efficiencies and reduced personnel costs. In addition, gasoline/fuel costed lower than budgeted.

## FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)

### General Fund Budgetary Highlights (Continued)

#### Expenditure Variances (Continued)

Within Employee Benefits, there was a favorable variance. Several new hires were budgeted for health and dental plans, but took buyouts instead, incurring a savings for the School District. In addition, the ERS final rate came in lower than budgeted, as well as the ERS/TRS expenses were lower than budgeted.

#### Results vs. Budget (In Thousands of Dollars)

The general fund is the only fund for which a budget is legally adopted.

	Original Budget	Final Budget	Actual	Encumbrances	Variance (Actual/Budget)
Revenue:					
Local sources	\$ 15,240	\$ 15,302	\$ 15,782	\$ -	\$ 480
State sources	9,999	9,999	9,736	-	(263)
Federal sources	35	35	-	-	(35)
Medicaid reimbursement	55	55	39	-	(16)
Total	<u>25,329</u>	<u>25,391</u>	<u>25,557</u>	<u>-</u>	<u>166</u>
Expenditures:					
General support	3,063	3,228	2,941	86	202
Instruction	11,786	12,126	11,875	45	207
Transportation	1,260	1,248	1,086	61	100
Employee benefits	6,889	6,143	5,649	-	494
Debt Service	205	3,584	3,624	-	(40)
Total	<u>23,203</u>	<u>26,329</u>	<u>25,176</u>	<u>191</u>	<u>962</u>
Other financing sources (uses)					
Proceeds from issuance of capital leases	-	-	219	-	(219)
Transfers in	-	-	396	-	(396)
Transfers out	<u>(2,956)</u>	<u>(2,948)</u>	<u>(2,973)</u>	<u>-</u>	<u>24</u>
Total	<u>(2,956)</u>	<u>(2,948)</u>	<u>(2,357)</u>	<u>-</u>	<u>(591)</u>
Revenue over/under expenditures	<u>\$ (830)</u>	<u>\$ (3,887)</u>	<u>\$ (1,976)</u>	<u>\$ (191)</u>	<u>\$ 1,720</u>

### CAPITAL ASSET AND DEBT ADMINISTRATION

As of June 30, 2022, the School District had \$39,151,579 invested in buildings, computers, and other educational equipment.

#### Figure A-8 Capital Assets (In Thousands of Dollars), net of accumulated depreciation

	Fiscal Year <u>2022</u>	Fiscal Year <u>2021</u>
Land	\$ 19	\$ 19
Buildings and improvements	36,722	38,527
Construction in progress	316	104
Furniture & Equipment	1,391	1,458
Vehicles	703	908
Total	<u>\$ 39,152</u>	<u>\$ 41,016</u>

#### Long-Term Liabilities

As of June 30, 2022, the School District had \$81,145,547 in long-term liabilities. Detailed information about the School District's long-term liabilities is included in the notes to the financial statements.



## CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Figure A-9 Outstanding Long-Term Liabilities (In Thousands of Dollars)

	<b>Fiscal Year <u>2022</u></b>	<b>Fiscal Year <u>2021</u></b>
General obligation bonds	\$ 26,375	\$ 28,491
Compensated absences	675	790
Lease obligations	173	2
Total other postemployment benefits	<u>53,922</u>	<u>67,290</u>
Total	<u>\$ 81,146</u>	<u>\$ 96,574</u>

During 2022, the School District paid down its long-term bonded debt by \$1,685,000. Further the School District's OPEB liability decreased by \$13.4 million due to the net effect of changes in actuarial assumptions.

### FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the School District was aware of the following existing conditions that could significantly affect its financial health in the future:

In the 2021-22 year the School district began to use the Federal government provided stimulus grants of \$1.9 million dollars to combat the challenges of learning loss, social emotional needs of the students and staff, as well as create summer learning opportunities and enrichment opportunities throughout the school year. The School District will continue to evaluate and address deficiencies created by COVID and use the remaining grant funds to address these concerns next year and beyond.

2021-2022 was the ninth year of the "2%" tax cap. While there was a learning curve for the community that a 2% tax cap did not mean a 2% tax levy increase, the School District's budgets for 2015-16, 2016-17, 2017-18, and 2018-19, 2019-20, and 2020-21 still passed by over 60%. The NYS Tax Cap continues to add an additional layer of uncertainty as the School District enters in the next budget cycle.

As the School District looks to the 2022-23 school year, the School District braces themselves for the impact of labor shortage as well as pressures from supply chain shortages and delays. The School District is currently looking to hire staffing in all substitute categories, support staff, transportation department, as well as the facilities teams. There is awareness that there will be times when the School District has to change on a moment's notice, but the School District stands ready to face these challenges and knows that their number one job is to provide the best possible educational opportunity they can to the students and families of the School District.

### CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact:

Brian Carey  
Business Administrator  
Schodack Central School District  
Business Office  
1447 South Schodack Road  
Castleton, NY 12033

**SCHODACK CENTRAL SCHOOL DISTRICT****STATEMENT OF NET POSITION  
JUNE 30, 2022****ASSETS**

## CURRENT ASSETS:

Cash - unrestricted	\$ 4,991,445
Cash - restricted	5,194,775
Accounts receivable	12,357
Lease receivable, current	527,212
State and federal aid receivable	897,845
Due from other governments	483,768
Inventory	<u>3,957</u>
Total current assets	<u>12,111,359</u>

## NONCURRENT ASSETS:

Net pension asset	8,717,013
Lease receivable, long term	318,073
Capital assets, net	<u>39,151,579</u>
Total noncurrent assets	<u>48,186,665</u>

## TOTAL ASSETS

60,298,024**DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflows of resources - ERS	1,431,107
Deferred outflows of resources - TRS	4,643,950
Deferred outflows of resources - OPEB	6,209,708
Deferred outflows of resources - refunding	<u>492,226</u>
Total Deferred Outflows of Resources	<u>12,776,991</u>

## TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

73,075,015**LIABILITIES**

## CURRENT LIABILITIES:

Accounts payable and accrued liabilities	496,979
Unearned revenue	120,149
Due to Teachers' Retirement System	889,164
Due to Employees' Retirement System	108,061
Bond interest accrual	216,549
Due to other governments	35
Leases payable due within one year	41,243
Bonds payable due within one year	<u>1,770,000</u>
Total current liabilities	<u>3,642,180</u>

## LONG-TERM LIABILITIES:

Bonds payable, net of current portion	21,715,000
Bonds premium, net	2,890,420
Leases payable, net of current portion	131,894
Total other postemployment benefits liability	53,921,506
Compensated absences	<u>675,484</u>
Total long-term liabilities	<u>79,334,304</u>

## TOTAL LIABILITIES

82,976,484**DEFERRED INFLOWS OF RESOURCES**

Deferred inflows of resources - ERS	2,355,150
Deferred inflows of resources - TRS	8,986,343
Deferred inflows of resources - OPEB	14,815,348
Deferred inflows of resources - Leases	<u>845,285</u>
Total Deferred Inflows of Resources	<u>27,002,126</u>

## TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

109,978,610**NET POSITION**

Net investment in capital assets	13,804,634
Restricted	7,430,776
Unrestricted	<u>(58,139,005)</u>
TOTAL NET POSITION	<u>\$ (36,903,595)</u>

The accompanying notes are an integral part of these statements.

**SCHODACK CENTRAL SCHOOL DISTRICT**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Expenses</u>	<u>Program Revenue</u>		Net (Expense) Revenue and Changes in <u>Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants</u>	
FUNCTIONS/PROGRAMS:				
General support	\$ 3,435,530	\$ -	\$ -	\$ (3,435,530)
Instruction	17,362,165	150,175	859,380	(16,352,610)
Pupil transportation	2,687,701	-	-	(2,687,701)
Debt service interest	539,763	-	-	(539,763)
School lunch program	<u>661,011</u>	<u>46,637</u>	<u>582,861</u>	<u>(31,513)</u>
<b>TOTAL FUNCTIONS/PROGRAMS</b>	<b>\$ <u>24,686,170</u></b>	<b>\$ <u>196,812</u></b>	<b>\$ <u>1,442,241</u></b>	<b><u>(23,047,117)</u></b>
GENERAL REVENUE:				
Real property taxes				13,222,013
Other tax items				1,145,969
Use of money and property				34,206
Sale of property and compensation for loss				342,945
Miscellaneous				984,022
State sources				9,724,256
Medicaid reimbursement				<u>39,042</u>
<b>TOTAL GENERAL REVENUE</b>				<b><u>25,492,453</u></b>
<b>CHANGE IN NET POSITION</b>				<b><u>2,445,336</u></b>
NET POSITION - beginning of year, as previously reported				(41,321,394)
RESTATEMENT (Note 16)				<u>1,972,463</u>
NET POSITION - beginning of year, as restated				<u>(39,348,931)</u>
NET POSITION - end of year				<b><u>\$ (36,903,595)</u></b>

The accompanying notes are an integral part of these statements.

**SCHODACK CENTRAL SCHOOL DISTRICT**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2022**

	<u>General</u>	<u>Special Aid</u>	<u>Capital Projects</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash - unrestricted	\$ 4,804,976	\$ 139,095	\$ -	\$ 47,374	\$ 4,991,445
Cash - restricted	4,218,416	-	709,386	266,973	5,194,775
Accounts receivable	12,357	-	-	-	12,357
Due from other funds	614,347	56,365	2,464,738	2,192	3,137,642
Leases receivable	845,285	-	-	-	845,285
State and federal aid receivable	266,136	510,843	-	120,866	897,845
Due from other governments	483,768	-	-	-	483,768
Inventory	-	-	-	3,957	3,957
<b>TOTAL ASSETS</b>	<u>\$ 11,245,285</u>	<u>\$ 706,303</u>	<u>\$ 3,174,124</u>	<u>\$ 441,362</u>	<u>\$ 15,567,074</u>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ 262,579	\$ 5,170	\$ 228,285	\$ 945	\$ 496,979
Unearned revenue	-	87,497	-	32,652	120,149
Due to other funds	2,523,183	613,636	112	711	3,137,642
Due to other governments	-	-	-	35	35
Due to Teachers' Retirement System	889,164	-	-	-	889,164
Due to Employees' Retirement System	108,061	-	-	-	108,061
<b>TOTAL LIABILITIES</b>	<u>3,782,987</u>	<u>706,303</u>	<u>228,397</u>	<u>34,343</u>	<u>4,752,030</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Deferred inflow - state aid	381,466	-	-	-	381,466
Deferred inflow - lease	845,285	-	-	-	845,285
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>1,226,751</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,226,751</u>

(Continued)

The accompanying notes are an integral part of these statements.

**SCHODACK CENTRAL SCHOOL DISTRICT**

**BALANCE SHEET - GOVERNMENTAL FUNDS (Continued)**  
**JUNE 30, 2022**

	General	Special Aid	Capital Projects	Non-Major Funds	Total Governmental Funds
FUND BALANCE:					
Nonspendable:					
Inventory	\$ -	\$ -	\$ -	\$ 3,957	\$ 3,957
Restricted:					
Unemployment reserve	369,630	-	-	-	369,630
Retirement contributions - ERS	1,087,726	-	-	-	1,087,726
Retirement contributions - TRS	626,482	-	-	-	626,482
Employee benefits and accrued liabilities	497,407	-	-	-	497,407
Capital projects	914,043	-	2,945,727	-	3,859,770
Workers Compensation	258,155	-	-	-	258,155
Insurance reserve	464,973	-	-	-	464,973
Debt service	-	-	-	3,877	3,877
Other	-	-	-	262,756	262,756
Total restricted fund balance	<u>4,218,416</u>	<u>-</u>	<u>2,945,727</u>	<u>266,633</u>	<u>7,430,776</u>
Assigned:					
Unappropriated	191,469	-	-	136,429	327,898
Appropriated for subsequent year expenditures	<u>750,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>750,000</u>
Total assigned fund balance	<u>941,469</u>	<u>-</u>	<u>-</u>	<u>136,429</u>	<u>1,077,898</u>
Unassigned	<u>1,075,662</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,075,662</u>
TOTAL FUND BALANCE	<u>6,235,547</u>	<u>-</u>	<u>2,945,727</u>	<u>407,019</u>	<u>9,588,293</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 11,245,285</u>	<u>\$ 706,303</u>	<u>\$ 3,174,124</u>	<u>\$ 441,362</u>	<u>\$ 15,567,074</u>

The accompanying notes are an integral part of these statements.

## SCHODACK CENTRAL SCHOOL DISTRICT

### RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO GOVERNMENT-WIDE NET POSITION JUNE 30, 2022

---

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

Total governmental fund balance	\$ 9,588,293
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	39,151,579
Pension related government wide activity:	
Deferred outflows - ERS/TRS	6,075,057
Deferred inflows - ERS/TRS	(11,341,493)
Net pension asset - ERS/TRS	8,717,013
OPEB related government wide activity:	
Deferred outflows of resources	6,209,708
Deferred inflows of resources	(14,815,348)
Total OPEB liability	(53,921,506)
Long-term bonds payable and leases payable are not due in the current period and, therefore, are not reported in the funds	(23,658,137)
Bond premium is recorded as revenue in the fund financial statements, but is amortized over the life of the bond under full accrual accounting.	(2,890,420)
Deferred amount on bond refundings in governmental-wide statements using the full accrual method of accounting, not recognized on the fund financial statements, which use the modified accrual method	492,226
State aid revenue in the statement of activities is recognized as revenue in the government-wide statements, but is not recognized as revenue under the modified accrual basis of accounting in the fund financial statements	381,466
Compensated absences are recognized as a liability under full accrual accounting	(675,484)
Interest payable is to be recorded in the government-wide statements under full accrual accounting	<u>(216,549)</u>
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (36,903,595)</u>

The accompanying notes are an integral part of these statements.

**SCHODACK CENTRAL SCHOOL DISTRICT**

**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	General	Special Aid	Capital Projects	Non-Major Funds	Total Governmental Funds
<b>REVENUE:</b>					
Real property taxes and other tax items	\$ 14,367,982	\$ -	\$ -	\$ -	\$ 14,367,982
Charges for services	150,175	-	-	-	150,175
Use of money and property	33,744	-	-	462	34,206
Sale of property and compensation for loss	342,945	-	-	-	342,945
Miscellaneous	886,738	-	-	111,916	998,654
State sources	9,736,374	139,845	-	10,975	9,887,194
Medicaid reimbursement	39,042	-	-	-	39,042
Federal sources	-	719,535	-	571,886	1,291,421
Sales - School lunch	-	-	-	46,637	46,637
<b>Total revenue</b>	<b>25,557,000</b>	<b>859,380</b>	<b>-</b>	<b>741,876</b>	<b>27,158,256</b>
<b>EXPENDITURES:</b>					
General support	2,941,023	-	-	-	2,941,023
Instruction	11,875,197	733,694	-	-	12,608,891
Pupil transportation	1,086,421	87,934	-	-	1,174,355
Employee benefits	5,648,707	94,523	-	-	5,743,230
Debt service - Principal	2,479,535	-	-	-	2,479,535
Debt service - Interest	1,144,621	-	-	-	1,144,621
Cost of sales	-	-	-	611,366	611,366
Capital outlay	-	-	603,246	-	603,246
Other	-	-	-	113,582	113,582
<b>Total expenditures</b>	<b>25,175,504</b>	<b>916,151</b>	<b>603,246</b>	<b>724,948</b>	<b>27,419,849</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>381,496</b>	<b>(56,771)</b>	<b>(603,246)</b>	<b>16,928</b>	<b>(261,593)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds from the issuance of leases	219,343	-	-	-	219,343
BANs redeemed from appropriations	-	-	746,435	-	746,435
Operating transfers in	396,229	56,771	2,914,559	5,025	3,372,584
Operating transfers (out)	(2,972,636)	-	(3,719)	(396,229)	(3,372,584)
<b>Total other financing sources (uses)</b>	<b>(2,357,064)</b>	<b>56,771</b>	<b>3,657,275</b>	<b>(391,204)</b>	<b>965,778</b>
<b>EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>(1,975,568)</b>	<b>-</b>	<b>3,054,029</b>	<b>(374,276)</b>	<b>704,185</b>
FUND BALANCE - beginning of year, as previously reported	8,211,115	-	(108,302)	685,557	8,788,370
RESTATEMENT (Note 16)	-	-	-	95,738	95,738
FUND BALANCE - beginning of year, as restated	8,211,115	-	(108,302)	781,295	8,884,108
FUND BALANCE - end of year	\$ 6,235,547	\$ -	\$ 2,945,727	\$ 407,019	\$ 9,588,293

The accompanying notes are an integral part of these statements.

**SCHODACK CENTRAL SCHOOL DISTRICT**

**RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

---

Net changes in fund balance - Total governmental funds	\$ 704,185
Capital outlays, net of disposals, are expenditures in governmental funds, but are capitalized in the statement of net position.	(430,700)
Depreciation is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.	(1,580,487)
Leases are expenditures in governmental funds, net of disposals, but are capitalized in the statement of net position.	219,343
Amortization is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.	(72,165)
Repayments of long-term debt are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position.	1,685,000
Repayments of long-term lease liabilities are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position.	48,100
Bond premiums amortization is not recorded as revenue in the governmental funds, but is recorded in the statement of activities	431,070
Deferred amount on bond refunding amortization is not recorded as expenditures in the governmental funds, but are recorded in the statement of activities	(30,764)
State aid revenue in the statement of activities is recognized as revenue in the government-wide statements, but is not recognized as revenue under the modified accrual basis of accounting in the fund financial statements	(12,118)
Compensated absences do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds	114,862
Issuance of long-term lease liabilities are recorded as expenditures in the governmental funds, but are recorded as a liability in the statement of net position.	(219,343)
Other postemployment benefits do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds.	(192,775)
Pension expense resulting from the GASB 68 related reporting is not recorded as an expenditure in the government funds but is recorded in the statement of activities	1,591,208
Certain expenses in the statement of activities do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds.	<u>189,920</u>
Change in net position - Governmental activities	<u>\$ 2,445,336</u>

The accompanying notes are an integral part of these statements.



# SCHODACK CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

---

### 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Schodack Central School District provides K-12 public education to students living within its geographic borders.

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

Significant accounting principles and policies utilized by the School District are described below:

#### **Reporting Entity**

Schodack Central School District is governed by the laws of New York State. The School District is an independent entity governed by an elected Board of Education. The President of the Board of Education 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 School District. The Board of Education has the authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the School District is based upon criteria set forth by generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (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 School District. The School District is not a component unit of another reporting entity. The decision to include a potential component unit in the School 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 included in the School District's reporting entity:

#### Extraclassroom Activity Funds

The extraclassroom activity funds of the School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. Separate audited financial statements, (cash basis) of the extraclassroom activity funds can be found at the School District's business office. The School District accounts for assets held as an agent for various student organizations in the Miscellaneous Special Revenue fund.

## 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Joint Venture**

The School District is a component School District of the Rensselaer, Columbia and Greene County Board of Cooperative Education Services (BOCES). BOCES is a voluntary, cooperative association of School Districts in a geographic area that shares planning, services, and programs which provide educational and support activities. There is no authority or process by which a School District can terminate its status as a BOCES component.

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

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 the New York State Education Law, §1950(4)(b)(7). In addition, component School Districts pay tuition or a service fee for programs in which its students participate.

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

### **Basis of Presentation**

#### Government-Wide Statements

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

The statement of activities presents a comparison between program expenses and revenue for each function of the School District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenue 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. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue.

#### Fund Financial Statements

The School District uses funds to maintain its accounting records. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The fund statements provide information about the School District's funds.

Separate statements for each fund category (governmental) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

## 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Basis of Presentation (Continued)**

The accounts of the School District are organized into funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenue, and expenditures. The various funds are summarized by type in the financial statements. Significant transactions between funds within a fund type have been eliminated. The fund types used by the School District are as follows:

#### Governmental Fund Types

Governmental funds are those in which most governmental functions of the School District are reported. The acquisition, use, and balances of the School District's expendable financial resources and the related liabilities are accounted for through the governmental funds. The measurement focus is upon determination of changes in financial position rather than upon determination of net income.

The School District reports the following major governmental funds:

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

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

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

The School District reports the following non-major governmental funds:

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

*Debt Service Fund:* This fund is used to account for and report on the accumulation of resources to be used for redemption of general long-term indebtedness.

*Miscellaneous Special Revenue Fund:* This fund accounts for proceeds from various funding sources, which may be restricted by donors or designated by the School District for specific purposes. The transactions of the Extraclassroom Activity Funds and scholarships are included in this fund.

## 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and 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.

### **Measurement Focus and Basis of Accounting**

Measurement focus refers to what is being measured, whereas basis of accounting refers to when revenues and expenditures are recognized. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions in which the School 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, revenue is recognized when measurable and available. The School District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences, other post employment benefits and long-term pension obligations, 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 leases are reported as other financing sources.

### **Cash and Cash Equivalents**

Cash and cash equivalents consist of funds deposited in demand deposit accounts. The School District's deposit and investment policies are governed by State statutes. The School District has adopted its own written investment policy, which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The School District is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by FDIC insurance. The School District has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and School District subdivisions.

1. **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Restricted Cash**

Restricted cash represents cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purpose.

**Accounts and Lease Receivable**

Accounts and lease 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.

**Inventory and Prepaid Items**

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

Prepaid items represent payments made by the School 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 Government-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.

**Interfund Transactions**

The operations of the School District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The School 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 expenditures and revenue to provide financing or other services.

In the Government-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different funds. Eliminations have been made for all interfund receivables and payables between the funds.

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

**Capital Assets, Net**

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land	\$ 5,000	N/A	N/A
Buildings and improvements	5,000	SL	15-50
Furniture and equipment	5,000	SL	5-20
Vehicles	5,000	SL	5-10

Capital assets also include leased assets with a term greater than one year. The School District does not implement a capitalization threshold for leased assets. Leased assets are amortized on a straight-line basis over the term of the lease.

1. **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)**

**Deferred Outflows and Inflows of Resources**

Deferred outflows of resources, in the statement of net position, represents a consumption of net position that applies to a future reporting period and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) so will not be recognized as an inflow of resources (revenue) until that time.

Lease-related amounts are recognized at the inception of leases in which the School District is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

**Property Taxes**

Real property taxes are levied annually by the board of education no later than September 1, and become a lien on August 6. Taxes are collected during the period September to October. Uncollected real property taxes are subsequently enforced by the County of Rensselaer, in which the School District is located. The County guarantees the full payment of the School District warrant and assumes responsibility for uncollected taxes.

**Vested Employee Benefits**

Compensated absences

District employees are granted vacation in varying amounts, based principally on length of service and service positions. 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 use is based on a last-in, first-out (LIFO) basis. Upon retirement, resignation, or death, employees may receive a payment based on unused accumulated sick leave, based on contractual provisions.

The liability for compensated absences has been calculated using the vesting/termination method and an accrual for that liability is included in the government-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

In the funds statements only the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you go basis.

Other Benefits

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

## 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Other Postemployment Benefits**

In addition to providing the pension benefits described, the School District provides postemployment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contracts negotiated between the School District and its employee groups. Substantially all of these employees may become eligible for these benefits if they reach normal retirement age while working for the School 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 School District and the retired employee.

### **Unearned Revenue**

Unearned revenue is reported when potential revenue meets both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the School District before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the School District has legal claim to the resources, the liability for unearned revenue is removed and revenue is recorded.

Statute provides the authority for the School District to levy taxes to be used to finance expenditures within the first 120 days of the succeeding fiscal year. Consequently, such amounts are recognized as revenue in the subsequent fiscal year rather than when measurable and available.

Unearned revenue recorded in governmental funds is generally not recorded in the Government-wide statements.

### **Accrued Liabilities and Long-Term Obligations**

Payables, accrued liabilities, and long-term obligations are reported in the Government-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources.

Claims and judgments, and compensated absences that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the School 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.

### **Restricted Resources**

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the School 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.

### **Fund Balance/Net Position Classifications**

#### Government-Wide Statements

In the Government-wide statements, there are three classes of net position:

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

**1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)**

**Fund Balance/Net Position Classifications (Continued)**

Government-wide Statements (Continued)

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

Restricted net position consists of the following:

Unemployment reserve	\$ 369,630
Retirement contributions - ERS	1,087,726
Retirement contributions - TRS	626,482
Employee benefits and accrued liabilities	497,407
Capital projects	3,859,770
Workers compensation	258,155
Liability reserve	464,973
Debt service	3,877
Other	<u>262,756</u>
	<u>\$ 7,430,776</u>

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

Governmental Fund Statements

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

Nonspendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually are required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the school lunch fund and prepaid expenditures in the general fund.

Restricted fund balance – Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The School District has available the following restricted fund balances:

Capital

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



1. **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)**

**Fund Balance/Net Position Classifications (Continued)**  
Governmental Fund Statements (Continued)

Workers' Compensation

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

Unemployment Insurance

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

Debt Service

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

Insurance

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

Liability Claims and Property Loss

Liability claims and property loss reserve, (Education Law §1709(8) (c), are used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and these reserves may not in total exceed 3% of the annual budget or \$15,000, whichever is greater. This type of reserve fund may be utilized only by School Districts, except city School Districts with a population greater than 125,000. These reserves are accounted for in the general fund under restricted fund balance.

1. **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Balance/Net Position Classifications (Continued)**  
Governmental Fund Statements (Continued)

Tax Certiorari

Tax certiorari reserve, (Education Law §3651.1-a), is 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 which might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the general fund on or before the first day of the fourth fiscal year after deposit of these monies. The reserve is accounted for in the general fund under restricted fund balance.

Employee Benefit Accrued Liability

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

Retirement Contribution

Retirement Contribution Reserve (GML §6-r) is used for the purpose of financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. This reserve is accounted for in the general fund under restricted fund balance.

Committed fund balance – Includes amounts that can be used for the specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2022.

Assigned fund balance – Includes amounts that are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the general fund are classified as assigned fund balance in the general fund. Encumbrances reported in the general fund amounted to \$191,469. As of June 30, 2022, the School District's encumbrances were classified as follows:

General support	\$	85,712
Instruction		61,003
Pupil transportation		10
Employee benefits		44,744
Total encumbrances	\$	<u>191,469</u>

**1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)**

**Fund Balance/Net Position Classifications (Continued)**  
Governmental Fund Statements (Continued)

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 balance 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.

Unassigned fund balance - 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 School District.

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

Order of Fund Balance Spending Policy

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

## 2. **EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS**

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the Government-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.

### **Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities**

Total fund balances of the School 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. Differences between the governmental funds statement of revenue, expenditures, and changes in fund balance and the statement of activities fall into one of three broad categories.

#### Long-Term Revenue and Expense Differences

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

#### Capital Related Differences

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

### **Statement of Revenue, Expenditures, and Change in Fund Balance vs. 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.

#### Pension Differences

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

#### OPEB Differences

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

### **3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

#### **Budgets**

The School District's administration prepares a proposed budget for approval by the Board of Education for the following governmental funds for which legal (appropriated) budgets are adopted:

The voters of the School District approved the proposed appropriations budget for the General Fund.

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) 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.

Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.

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

Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the School 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.

#### **Fund Balance**

Portions of fund balances are restricted and not available for current expenditures, as reported in the governmental funds' balance sheet.

#### 4. CASH

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

The School District's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year-end, collateralized as follows:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash	\$ 10,697,815	\$ 10,186,220
Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name	\$ 10,447,815	
Covered by FDIC insurance	<u>250,000</u>	
Total	<u>\$ 10,697,815</u>	

Restricted cash represents cash where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes.

##### General fund:

Unemployment reserve	\$ 369,630
Retirement contributions - ERS	1,087,726
Retirement contributions - TRS	626,482
Employee benefits and accrued liabilities	497,407
Capital projects	914,043
Workers compensation	258,155
Insurance reserve	<u>464,973</u>
	<u>\$ 4,218,416</u>

Capital Projects fund:	<u>\$ 709,386</u>
------------------------	-------------------

Debt Service fund:	<u>\$ 3,765</u>
--------------------	-----------------

##### Miscellaneous Special Revenue fund:

Cash on deposit for scholarships and extraclassroom activity funds	<u>\$ 263,208</u>
--	-------------------

#### 5. PARTICIPATION IN BOCES

During the year, the School District was billed \$2,476,301 for BOCES administrative and program costs. The School District's share of BOCES aid amounted to \$739,932.

## 6. CAPITAL ASSETS, NET

Capital asset balances and activity for the year ended June 30, 2022, were as follows:

	Beginning Balance (Restated)	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 19,242	\$ -	\$ -	\$ 19,242
Construction in progress	103,500	316,158	103,500	316,158
Total non-depreciable cost	<u>122,742</u>	<u>316,158</u>	<u>103,500</u>	<u>335,400</u>
Capital assets that are depreciated:				
Land improvements	103,150	-	-	103,150
Buildings and improvements	53,630,502	100,750	937,740	52,793,512
Furniture & Equipment	6,558,034	42,071	594,999	6,005,106
Vehicles	2,426,958	190,461	108,128	2,509,291
Total depreciable historical cost	<u>62,718,644</u>	<u>333,282</u>	<u>1,640,867</u>	<u>61,411,059</u>
Less accumulated depreciation:				
Land improvements	83,907	-	-	83,907
Buildings and improvements	15,122,606	1,058,977	90,950	16,090,633
Furniture & Equipment	5,445,849	192,012	530,968	5,106,893
Vehicles	1,519,220	329,498	42,309	1,806,409
Total accumulated depreciation	<u>22,171,582</u>	<u>1,580,487</u>	<u>664,227</u>	<u>23,087,842</u>
Total capital assets, net	<u>40,669,804</u>	<u>(931,047)</u>	<u>1,080,140</u>	<u>38,658,617</u>
Lease Assets, being amortized:				
Equipment	345,784	219,343	-	565,127
Total lease assets, being amortized	<u>345,784</u>	<u>219,343</u>	<u>-</u>	<u>565,127</u>
Less accumulated amortization for:				
Equipment	-	72,165	-	72,165
Total accumulated amortization	<u>-</u>	<u>72,165</u>	<u>-</u>	<u>72,165</u>
Total lease assets, being amortized, net	<u>345,784</u>	<u>147,178</u>	<u>-</u>	<u>492,962</u>
Total governmental activities capital assets	<u>\$ 41,015,588</u>	<u>\$ (783,869)</u>	<u>\$ 1,080,140</u>	<u>\$ 39,151,579</u>

Depreciation and lease amortization expense for the year ended June 30, 2022, was allocated to specific functions as follows:

	Depreciation	Amortization
General support	\$ 65,633	\$ -
Instruction	607,123	72,165
Pupil transportation	907,731	-
Total	<u>\$ 1,580,487</u>	<u>\$ 72,165</u>

## 7. SHORT-TERM DEBT

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

## 7. SHORT-TERM DEBT (Continued)

The School District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which there is an insufficient or no provision made 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 School District may issue Bond Anticipation Notes (BANs), 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.

At June 30, 2022, the School District had the following BANs outstanding:

BAN	Issued	Maturity	Interest Rate	Beginning Balance	Issued	Redeemed	Principal Paid	Ending Balance
Buses 2020-2021	8/13/2020	8/13/2021	0.72%	\$ 555,960	\$ -	\$ 200,960	\$ 355,000	\$ -
Buses 2021-2022	8/12/2021	8/12/2022	0.30%	-	545,475	545,475	-	-
				<u>\$ 555,960</u>	<u>\$ 545,475</u>	<u>\$ 746,435</u>	<u>\$ 355,000</u>	<u>\$ -</u>

## 8. LONG-TERM DEBT

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

Interest paid	\$ 1,144,621
Less: interest accrued in the prior year	(421,101)
Less: amortization expense on bond premium	(431,070)
Plus: interest accrued in the current year	216,549
Plus: amortization expense on refunding bonds	30,764
Total expense	<u>\$ 539,763</u>

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

	July 01, 2021 Balance (Restated)	Additions	Deletions	June 30, 2022 Balance	Amounts Due Within One Year	Long-term Portion
Government activities:						
Bonds and notes payable						
General obligation debt:						
Serial bonds	\$ 25,170,000	\$ -	\$ 1,685,000	\$ 23,485,000	\$ 1,770,000	\$ 21,715,000
Bond premium	3,321,490	-	431,070	2,890,420	-	2,890,420
Other long-term debt:						
Compensated absences	790,346	-	114,862 (A)	675,484	-	675,484
Lease obligations	1,894	219,343	48,100	173,137	41,243	131,894
Total other postemployment benefits	<u>67,290,087</u>	<u>-</u>	<u>13,368,581</u>	<u>53,921,506</u>	<u>-</u>	<u>53,921,506</u>
Total long-term liabilities	<u>\$ 96,573,817</u>	<u>\$ 219,343</u>	<u>\$ 15,647,613</u>	<u>\$ 81,145,547</u>	<u>\$ 1,811,243</u>	<u>\$ 79,334,304</u>

(A) Additions and deletions to compensated absences are shown net because it is impractical to determine these amounts separately.



## 8. LONG-TERM DEBT (Continued)

Issue dates, maturities, and interest rates on outstanding debt are as follows:

<u>Bond Issue</u>	<u>Issued</u>	<u>Maturity</u>	<u>Interest Rate</u>	June 30, 2022 <u>Balance</u>
Refunding Serial Bond	2015	2038	5.00%	\$ 8,915,000
Refunding Serial Bond	2019	2031	2.50%	645,000
Capital Project Serial Bond	2020	2034	4.50%	<u>13,925,000</u>
				<u>\$ 23,485,000</u>

The following is a summary of the maturity of bonds payable:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,770,000	\$ 1,054,748	\$ 2,824,748
2024	1,860,000	966,748	2,826,748
2025	1,405,000	887,873	2,292,873
2026	1,485,000	818,623	2,303,623
2027	1,555,000	745,623	2,300,623
2028-2032	8,900,000	2,544,626	11,444,626
2033-2037	5,855,000	602,406	6,457,406
2038	<u>655,000</u>	<u>11,869</u>	<u>666,869</u>
Totals	<u>\$ 23,485,000</u>	<u>\$ 7,632,516</u>	<u>\$ 31,117,516</u>

In prior years, the School District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School District's financial statements. \$9,765,000 of bonds outstanding are considered defeased.

## 9. LEASES

### Lessee

The School District is the lessee of various equipment, primarily from Questar III BOCES. The leases do not contain renewal options. The leases have various inception dates and remaining terms of 16-49 months, with interest rates between 2.16%-3.76%. The School District's lease liability as of June 30, 2022 is \$173,137.

### Lessor

The School District is also the lessor of various equipment and properties. The leases do not contain renewal options. Lease agreements are summarized as follows:

<u>Description</u>	<u>Inception Date</u>	<u>Term</u> <u>(in Months)</u>	<u>Interest Rate/</u> <u>Discount</u> <u>Rate</u>	<u>Total</u> <u>Future</u> <u>Receipts</u>
IPA	7/1/2021	24	2.50%	\$ 5,370
Property Lease	7/1/2021	36	1.79%	196,000
YMCA Afterschool	7/1/2021	34	2.16%	50,968
Stony Place Preschool	7/1/2021	50	2.16%	<u>619,140</u>
Total Future Lease Revenue				<u>\$ 871,478</u>

## 9. LEASES (Continued)

Activity of lease inflows for the year ended June 30, 2022 is summarized as follows:

<u>Lease-related Revenue</u>	<u>Year Ending June 30, 2022</u>
Lease Revenue	
Building	\$ 204,228
Land	108,705
Total Lease Revenue	312,933
Interest Revenue	20,160
Variable & Other Revenue	-
Total	<u>333,093</u>

Future minimum lease payments due to the School District are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 318,073	\$ 14,786	\$ 332,859
2024	302,261	8,358	310,619
2025	192,467	2,961	195,428
2026	<u>32,484</u>	<u>88</u>	<u>32,572</u>
Total	<u>845,285</u>	<u>26,193</u>	<u>871,478</u>

## 10. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables, other than between governmental activities, are eliminated on the statement of net position. The School District typically advances resources between funds for the purpose of mitigating the effects of transient cash flow issues.

The following is a summary of interfund activity:

	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenue</u>	<u>Expenditures</u>
General fund	\$ 614,347	\$ 2,523,183	\$ 396,229	\$ 2,972,636
Special Aid fund	56,365	613,636	56,771	-
School Lunch fund	2,080	409	1,306	-
Debt Service fund	112	-	3,719	396,229
Miscellaneous Special Revenue fund	-	302	-	-
Capital Projects fund	<u>2,464,738</u>	<u>112</u>	<u>2,914,559</u>	<u>3,719</u>
Totals	<u>\$ 3,137,642</u>	<u>\$ 3,137,642</u>	<u>\$ 3,372,584</u>	<u>\$ 3,372,584</u>

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

## 11. PENSION PLANS

### New York State Employees' Retirement System

The School District participates in the New York State and Local Employee's Retirement System (ERS) also referred to as New York State and Local Retirement System (the System). This is a cost-sharing multiple-employer retirement system, providing retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), established to hold all net assets and record changes in plan net position allocated to the System. System benefits are established under the provisions of the New York Retirement and Social Security Law (RSSL). Once an 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.

## 11. PENSION PLANS (Continued)

### New York State Employees' Retirement System (Continued)

The School 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. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

#### *Contributions*

The system is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27<sup>th</sup>, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) who generally contribute 3 percent of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	<u>ERS</u>
2022	\$ 308,743
2021	438,367
2020	383,183

#### **Pension Liabilities, Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions**

At June 30, 2022, the School District reported a net pension asset of \$670,519 for its proportionate share of the ERS net pension asset. The net pension asset was measured as of March 31, 2022, and the total pension liability used to calculate the net pension asset was determined by the actuarial valuation as of April 1, **2021**. The School District's proportion of the net pension asset was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2022, the School District's proportion was 0.008203 which was a decrease from its proportion measured at June 30, **2021** of 0.008816%.

For the year ended June 30, 2022, the School District recognized pension expense of \$69,074. At June 30, 2022, the School District reported deferred outflows/inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 50,779	\$ 65,864
Changes of Assumptions	1,119,021	18,882
Net difference between projected and actual earnings on pension plan investments	-	2,195,669
Changes in proportion and differences between the District's contributions and proportionate share of contributions	153,246	74,735
Contributions subsequent to the measurement date	108,061	-
Total	<u>\$ 1,431,107</u>	<u>\$ 2,355,150</u>

## 11. PENSION PLANS (Continued)

### New York State Employees' Retirement System (Continued)

#### **Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

Plan's Year Ending March 31,	2023	\$	(141,285)
	2024		(222,175)
	2025		(548,980)
	2026		(119,664)
	Thereafter		-
			<u>\$ (1,032,104)</u>

The School District recognized \$108,061 as deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2022 which will be recognized on a reduction of the net pension liability in the year ending June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

#### **Actuarial Assumptions**

The total pension asset at March 31, 2022 was determined by using an actuarial valuation as of April 1, 2021, with update procedures used to roll forward the total pension liability to March 31, 2022. The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.7 percent
Salary scale	4.4 percent indexed by service
Projected COLAs	1.4% compounded annually
Decrement	Developed from the Plan's 2020 experience study of the period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2020
Investment Rate of Return	5.9% compounded annually, net of investment expenses

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses 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 and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of term</u>
Domestic Equity	32%	3.30%
International Equity	15%	5.85%
Private Equity	10%	6.50%
Real Estate	9%	5.00%
Opportunistic/ARS portfolio	3%	4.10%
Credit	4%	3.78%
Real Assets	3%	5.80%
Fixed Income	23%	0.00%
Cash	1%	-1.00%
	<u>100%</u>	

## 11. PENSION PLANS (Continued)

### New York State Employees' Retirement System (Continued)

#### **Discount Rate**

The discount rate used to calculate the total pension liability was 5.90%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Plan's 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 (Asset) to the Discount Rate Assumption**

The following presents the School District's proportionate share of the net pension asset calculated using the discount rate of 5.90%, as well as what the School District's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1% lower (4.90%) or 1% higher (6.90%) than the current rate:

	1% Decrease <u>(4.90%)</u>	Current Discount <u>(5.90%)</u>	1% Increase <u>(6.90%)</u>
Employer's Proportionate Share of Net Pension Liability (Asset)	\$ 1,725,909	\$ (670,519)	\$ (2,675,015)

#### **Pension Plan Fiduciary Net Position**

The components of the pension plan's net pension asset as of March 31, 2022, was as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	\$ 223,874,888
Net position	232,049,473
Net pension liability (asset)	<u>\$ (8,174,585)</u>
ERS net position as a percentage of total pension liability	103.65%

### New York State Teachers' Retirement System

The School District participates in the New York State Teachers' Retirement System (NYSTRS). This is a cost-sharing, multiple employer public employee retirement system. The system offers 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.

The New York State Teachers' Retirement Board administers NYSTRS. The system provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for the system. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

#### **Contributions**

The System is noncontributory for the employees who joined prior to July 27, 1976. For employees who joined the System after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the System more than ten years are no longer required to contribute. For employees who joined after January 1, 2010 and prior to April 1, 2012, contributions of 3.5% are paid throughout their active membership.

## 11. PENSION PLANS (Continued)

### New York State Teachers' Retirement System (Continued)

#### *Contributions (Continued)*

For employees who joined after April 1, 2012, required contributions of 3.5% of their salary are paid until April 1, 2013 and they then contribute 3% to 6% of their salary throughout their active membership. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for NYSTRS.

The School District is required to contribute at an actuarially determined rate. The School District contributions made to the systems were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

	<u>TRS</u>	
2022	\$	815,500
2021		761,501
2020		704,386

#### **Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions**

At June 30, 2022, the School District reported an asset of \$8,046,494 for its proportionate share of the NYSTRS net pension asset. The net pension asset was measured as of **June 30, 2021**, and the total pension liability used to calculate the net pension asset was determined by the actuarial valuation as of June 30, 2020. The School District's proportion of the net pension asset was based on a projection of the School Districts' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2022 the School District's proportionate share was 0.046434%, which was an increase from its proportion measured at June 30, 2021 of 0.045485%.

For the year ended June 30, 2022, the School District recognized pension income of \$450,774. At June 30, 2022 the School District reported deferred outflows/inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,109,124	\$ 41,805
Changes of Assumptions	2,646,660	468,685
Net difference between projected and actual earnings on pension plan investments	-	8,421,489
Changes in proportion and differences between the District's contributions and proportionate share of contributions	72,666	54,364
Contributions subsequent to the measurement date	<u>815,500</u>	<u>-</u>
Total	<u>\$ 4,643,950</u>	<u>\$ 8,986,343</u>

The School District recognized \$815,500 as a deferred outflow of resources related to pensions resulting from the School District's contributions subsequent to the measurement date of June 30, **2021**, which will be recognized as a reduction of the net pension liability in the year ending June 30, 2023.

## 11. PENSION PLANS (Continued)

### New York State Teachers' Retirement System (Continued)

#### **Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ending June 30,	2022	\$ (1,028,175)
	2023	(1,200,980)
	2024	(1,538,773)
	2025	(2,030,000)
	2026	376,067
	Thereafter	<u>263,968</u>
		<u>\$ (5,157,893)</u>

#### **Actuarial Assumptions**

The total pension liability at the June 30, **2021** measurement date was determined by an actuarial valuation as of June 30, **2020**, with update procedures used to roll forward the total pension liability to June 30, **2021**. These actuarial valuations used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.40%
Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.

<u>Service</u>	<u>Rate</u>
5	5.18%
15	3.64%
25	2.50%
35	1.95%

Projected COLAs	1.30% compounded annually
Investment Rate of Return	6.95% compounded annually, net of pension plan investment expense, including inflation.

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP-2020, applied on a generational basis. Active member mortality rates are based on plan member experience.

The actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020.

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.

## 11. PENSION PLANS (Continued)

### New York State Teachers' Retirement System (Continued)

#### **Actuarial Assumptions (Continued)**

Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of the measurement date of June 30, **2021** are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of term</u>
Domestic Equity	33%	6.8%
International Equity	16%	7.6%
Global Equity	4%	7.1%
Real Estate Equity	11%	6.5%
Private Equity	8%	10.0%
Domestic Fixed Income	16%	1.3%
Global Bonds	2%	0.8%
Private Debt	1%	5.9%
Real Estate Debt	7%	3.3%
High-Yield Bonds	1%	3.8%
Cash Equivalents	1%	-0.2%
	100%	

#### **Discount Rate**

The discount rate used to measure the total pension liability as of June 30, **2021** was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from School Districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the NYSTRS' 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 (Asset) to the Discount Rate Assumption**

The following presents the net pension liability (asset) of the School District calculated using the discount rate of 6.95 percent, as well as what the School Districts' net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

	1% Decrease (5.95%)	Current Discount (6.95%)	1% Increase (7.95%)
Employer's Proportionate Share of Net Pension Liability (Asset)	\$ (844,362)	\$ (8,046,494)	\$ (14,099,364)



## 11. PENSION PLANS (Continued)

### New York State Teachers' Retirement System (Continued)

#### **Pension Plan Fiduciary Net Position**

The components of the current year net pension liability (asset) of the employers as of June 30, 2021, were as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	\$ 130,819,415,417
Net position	148,148,457,363
Net pension liability (asset)	<u>\$ (17,329,041,946)</u>
TRS net position as a percentage of total pension liability	113.25%

## 12. OTHER POSTEMPLOYMENT BENEFITS

#### **Plan Description**

The School District administers a defined benefit OPEB plan and provides OPEB for all permanent full-time general and public safety employees of the School District. The plan is a single-employer defined benefit plan (the Plan). The Plan provides for Article 11 of the State Compiled Statutes which grants the authority to establish and amend the benefit terms and financial requirements to the School District's Board, subject to applicable collective bargaining and employment agreements, and Board of Education policy. 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 trust that meet the criteria in paragraph 4 of GASB Statement No. 75.

#### **Funding Policy**

The obligations of the Plan members, employers and other contributing entities are established by action of the School District pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreement. Employees are required to reach age 55 and have 10 to 15 years of service to qualify for other postemployment benefits. The School District currently funds the plan to satisfy current obligations on a pay-as-you-go basis.

The contribution requirements of the Plan members and the District are established by the Board of Education. Until changes are made in the NYS law to permit funding, there is no legal authority to fund Other Postemployment Benefit (OPEB), other than "pay as you go".

#### **Benefits Provided**

The School District provides for continuation of medical and/or Medicare Part B benefits for certain retirees and their spouses. The benefit terms are dependent on which contract each employee falls under. Retirees and their spouses receive benefits for the lifetime of the retired employee. The specifics of each contract are on file at the School District offices and area available upon request.

#### **Employees Covered by Benefit Terms**

At June 30, 2022, the following employees were covered by the benefit terms:

Actives	149
Retirees	140
Beneficiaries	-
Spouses of Retirees	54
Total participants	<u>343</u>

## 12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

### Total OPEB Liability

The School District's total OPEB liability of \$53,921,506 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2021.

### Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Payroll growth	2.60 percent including inflation
Discount Rate	3.54 percent as of July 1, 2021
Healthcare Cost Trend Rates	5.1 percent, decreasing to an ultimate rate of 4.1 percent over 54 years.
Participation rate	Assumed that 90% of future retirees eligible for coverage will elect the benefit.
Cost method	Entry Age Normal

The discount rate was based on the Bond Buyer General Obligation 20-year municipal bond index.

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

Retirement participation rate assumed that 90% of future retirees eligible for coverage will elect the benefit and 50% of active employees are assumed to elect family coverage at retirement with male spouses assumed to be 3 years older than female spouses. For current retirees, actual census 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.

### Changes in the Total OPEB Liability

Balance at July 1, 2021	\$ 67,290,087
Changes for the Year	
Service cost	1,974,105
Interest	1,477,559
Effect of plan changes	-
Effect of demographic gains or losses	(9,654,394)
Effect of assumptions changes or inputs	(5,439,174)
Benefit payments	<u>(1,726,677)</u>
Net changes	<u>(13,368,581)</u>
Balance at June 30, 2022	<u>\$ 53,921,506</u>

**12. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

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

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.54%) or 1 percentage point higher (4.54%) than the current discount rate:

	1% Decrease ( <u>2.54%</u> )	Current Discount ( <u>3.54%</u> )	1% Increase ( <u>4.54%</u> )
Total OPEB Liability	<u>\$ 63,260,517</u>	<u>\$ 53,921,506</u>	<u>\$ 46,448,416</u>

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

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (4.30%) or 1 percentage point higher (6.30%) than the current healthcare cost trend rate:

	Healthcare		
	1% Decrease ( <u>4.30%</u> )	Current Discount ( <u>5.30%</u> )	1% Increase ( <u>6.30%</u> )
Total OPEB Liability	<u>\$ 45,733,205</u>	<u>\$ 53,921,506</u>	<u>\$ 64,504,441</u>

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2022, the School District recognized OPEB expense of \$1,919,452. At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ -	\$ (8,635,336)
Changes of assumptions	<u>6,209,708</u>	<u>(6,180,012)</u>
Total	<u>\$ 6,209,708</u>	<u>\$ (14,815,348)</u>

**12. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

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

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

<u>Fiscal Year Ending June 30:</u>	<u>Amount</u>
2023	\$ (1,532,212)
2024	(1,532,212)
2025	(1,037,526)
2026	(1,582,352)
2027	(2,434,446)
Thereafter	<u>(486,892)</u>
	<u>\$ (8,605,640)</u>

**13. RISK MANAGEMENT**

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

Workers Compensation

The School District participates in a claims-servicing public entity risk pool, Rensselaer-Columbia-Greene Workers' Compensation (Consortium), to insure workers' compensation claims. The Consortium, a consortium of school districts located in Rensselaer, Columbia and Greene Counties of New York, was accepted a self-insurer by the State of New York Workers' Compensation Board effective July 1, 1985. The Consortium is governed by a plan agreement administered by a Board of Directors, consisting of one Director for each member. As of June 30, 2022, there were 17 members in the Consortium. Workers' compensation benefits are provided by the Plan and administered under a contract with PMA Companies, the third-party claims administrator for the Consortium.

The purpose of the Consortium is to provide efficient and economical evaluation, processing, administration, defense and payment of claims against Consortium members for workers' compensation and employers' liability payments through self-insurance and otherwise, to achieve cost savings for such claims and services, to provide risk management, to the extent permitted by law, to reduce future liability for workers' compensation and employer liability payments; and to perform all other functions reasonably necessary and incident to such purposes; including but not limited to, the obtaining of excess workers' compensation insurance and employers' liability insurance for the Consortium members. Current coverage limits are \$1,000,000 per occurrence for employers' liability and excess workers' compensation insurance coverage for paid workers' compensation claims in excess of \$600,000 per individual occurrence.

The Consortium provides that each member continues to be individually liable for workers' compensation payments to employees and for employers' liability payments to third parties. The Consortium is a public entity risk pool without any transfer of risk among the participants.

**13. RISK MANAGEMENT (Continued)**

Workers Compensation

To fund the Consortium, each member is assessed an annual premium for workers' compensation coverage in accordance with a reasonable estimate of each member's responsibility for actual claims and expenses of the Consortium. Assessments are based on such factors as the cost of insurance premiums, the amount of anticipated investment income, number of employees, payrolls, claims experience, services rendered, benefits received and other relevant factors.

Health Insurance Plan

The School District participates in the Rensselaer-Columbia-Greene Health (R-C-G) Insurance Trust, which is a Trust formed under New York State Insurance Law on June 30, 1988. The Trust's purpose is to provide for the purchase of policies of group health, prescription, dental and vision insurance, pursuant to Insurance Law Section 4235, and to provide related services to its members. There are currently 19 members of the R-C-G Health Insurance Trust. The School District participates in the health and prescription plans offered through the Trust.

The Trust is governed by a Trust Agreement and a Board of Trustees who execute the provisions of the Trust, as set forth in the Agreement. Premium costs for group health insurance and related policies purchased and for group health insurance administration are allocated among the Trust members. Payments made by members to the Trust for such policies are paid to the group insurance carriers by the Trust. The Trust obtains independent coverage for the insured events and the School District has transferred all related risk to the pool. The Trust has contracted with Benetech for third-party administration.

**14. TAX ABATEMENTS**

All real property in New York State is subject to taxation unless specific legal provision grant it exempt status. Real property exemptions are granted on the basis of many different criteria, including the use to which the property is put, the owner's ability to pay taxes, the desire of the state and local governments to encourage certain economic or social activities, and other considerations. Most exemptions are granted under Article 4 of the Real Property Tax Law, but others are authorized by a wide variety of statutes ranging from Article 18-A of the Real Property Tax Law, the Agriculture and Markets Law and the Transportation Law. Certain exemptions provide full relief from taxation (wholly exempt property) and others reduce the taxes which would otherwise be payable by varying degrees (partially exempt property). Some exemptions apply to taxes levied for county, city/town, and school purposes, whereas others pertain only to certain of these purposes. Some tax exemptions are mandated by State law, others are subject to local option and/or local determination of eligibility criteria.

The following are the Payments in Lieu of Taxes (PILOT) agreements by purpose:

<u>Agreement With</u>	<u>Owner/Property</u>	<u>Purpose</u>	<u>Assessment</u>	<u>Tax Rate</u>	<u>PILOT Received</u>
Rensselaer County IDA	Servisions Properties	Business Corporation	125,000	25.036481	5,073
Rensselaer County IDA	PCC Castleton Corporation	Power Generation	1,100,000	25.036481	<u>27,540</u>
Total Payment in Lieu of Taxes					\$ 32,613

## 15. CONTINGENCIES AND COMMITMENTS

### General Information

The School District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursements to grantors agencies or expenditures disallowed under the terms of the grant.

## 16. RESTATEMENTS

During the year ended June 30, 2022, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use and underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the School District's financial statements and had an effect on the beginning net position of the governmental activities.

A prior period adjustment was necessary to correct accounting errors in the June 30, 2021 statement of net position. It was determined that capital assets were understated by \$1.532 million due to there being a complete physical asset re-evaluation performed by an outside vendor and the School District's insurance company.

A prior period adjustment was also necessary to correct the governmental activities net position and the Miscellaneous Special Revenue fund balance as of June 30, 2021. It was determined that Extraclassroom funds and certain scholarship funds were classified as liabilities in the prior year, whereas as pursuant to GASB 84 - *Fiduciary Activities*, they should be fund balance.

	Governmental Activities Net Position	General Fund Balance	Miscellaneous Special Revenue Fund Balance
Balance at June 30, 2021, as originally stated	\$ (41,321,394)	\$ 8,211,115	\$ 168,381
Prior period adjustment - Capital Assets	1,532,835	-	-
Prior period adjustment - Extraclassroom/scholarships	95,738	-	95,738
Restatement of beginning balance - Adoption of GASB Statement No. 87			
Adjustments:			
Lease receivable	845,285	845,285	-
Deferred inflows - leases	(845,285)	(845,285)	-
Net book value leased asset	343,890	-	-
Net book value leased asset	1,894	-	-
Lease liability	(1,894)	-	-
Subtotal GASB 87 adjustments	343,890	-	-
Total adjustments	1,972,463	-	95,738
Balance at July 1, 2021, as restated	<u>\$ (39,348,931)</u>	<u>\$ 8,211,115</u>	<u>\$ 264,119</u>

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**SCHODACK CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2022**

---

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Encumbrances</u>	<u>Final Budget Variance with Budgetary Actual</u>
<b>REVENUE</b>					
LOCAL SOURCES:					
Real property taxes	\$ 14,367,730	\$ 14,367,730	\$ 14,367,982	\$ -	\$ 252
Charges for services	224,500	224,500	150,175	-	(74,325)
Use of money and property	18,000	18,000	33,744	-	15,744
Sale of property and compensation for loss	339,384	399,246	342,945	-	(56,301)
Miscellaneous	<u>290,313</u>	<u>292,488</u>	<u>886,738</u>	<u>-</u>	<u>594,250</u>
Total local sources	15,239,927	15,301,964	15,781,584	-	479,620
State sources	9,999,089	9,999,089	9,736,374	-	(262,715)
Federal sources	35,000	35,000	-	-	(35,000)
Medicaid reimbursement	<u>55,000</u>	<u>55,000</u>	<u>39,042</u>	<u>-</u>	<u>(15,958)</u>
Total revenue	<u>25,329,016</u>	<u>25,391,053</u>	<u>25,557,000</u>	<u>-</u>	<u>165,947</u>

(Continued)



**SCHODACK CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)**

(Continued)

FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual (Budgetary Basis)	Encumbrances	Variance with Budgetary Actual and Encumbrances
<b>EXPENDITURES</b>					
GENERAL SUPPORT:					
Board of education	\$ 13,200	\$ 19,834	\$ 18,804	\$ -	\$ 1,030
Central administration	254,559	253,373	250,091	-	3,282
Finance	444,936	504,695	504,758	4,825	(4,888)
Staff	107,225	110,003	90,234	-	19,769
Central services	1,847,916	1,931,868	1,676,681	80,887	174,300
Special items	395,500	408,699	400,455	-	8,244
Total general support	3,063,336	3,228,472	2,941,023	85,712	201,737
INSTRUCTION:					
Instruction, administration, and improvement	853,463	872,297	836,612	226	35,459
Teaching - Regular school	5,473,283	5,682,729	5,539,673	25,312	117,744
Programs for children with handicapping conditions	3,335,036	3,253,012	3,171,635	-	81,377
Occupational education	447,884	481,112	431,802	-	49,310
Teaching - Special school	105,499	105,999	38,682	-	67,317
Instructional media	619,225	725,530	925,718	4,581	(204,769)
Pupil services	951,662	1,005,778	931,075	14,625	60,078
Total instruction	11,786,052	12,126,457	11,875,197	44,744	206,516
Pupil transportation	1,260,127	1,247,668	1,086,421	61,003	100,244
Employee benefits	6,888,974	6,142,583	5,648,707	10	493,866
Debt service - Principal	200,960	2,431,435	2,479,535	-	(48,100)
Debt service - Interest	4,003	1,152,802	1,144,621	-	8,181
Total expenditures	23,203,452	26,329,417	25,175,504	191,469	1,010,544
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from issuance of leases	-	-	219,343	-	(219,343)
Operating transfers in	-	-	396,229	-	(396,229)
Operating transfers (out)	(2,955,648)	(2,948,452)	(2,972,636)	-	24,184
Total other financing sources (uses)	(2,955,648)	(2,948,452)	(2,357,064)	-	(591,388)
Total expenditures and other financing sources (uses)	26,159,100	29,277,869	27,532,568	191,469	1,601,932
NET CHANGE IN FUND BALANCE	(830,084)	(3,886,816)	(1,975,568)	(191,469)	1,767,879
FUND BALANCE - beginning of year	8,211,115	8,211,115	8,211,115	-	-
FUND BALANCE - end of year	\$ 7,381,031	\$ 4,324,299	\$ 6,235,547	\$ (191,469)	\$ 1,767,879

See the independent auditor's report

SCHODACK CENTRAL SCHOOL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2022

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Plan Fiscal Years (Dollar amounts displayed in thousands)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Proportion of the net pension liability (asset)	0.008203%	0.008816%	0.008221%	0.009138%	0.009621%	0.009097%	0.009193%	0.859510%		
Proportionate share of the net pension liability (asset)	(\$671)	\$9	\$2,177	\$647	\$311	\$855	\$1,476	\$291		
Covered-employee payroll	\$2,691	\$2,732	\$2,819	\$2,762	\$2,756	\$2,588	\$2,517	\$2,345		
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-24.91%	0.32%	77.22%	23.44%	11.27%	33.03%	58.63%	12.39%		
Plan fiduciary net position as a percentage of the total pension liability (asset)	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%		

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Plan Fiscal Years (Dollar amounts displayed in thousands)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Proportion of the net pension liability (asset)	0.046434%	0.045485%	0.045375%	0.045830%	0.045672%	0.048194%	0.046952%	0.046734%		
Proportionate share of the net pension liability (asset)	(\$8,046)	\$1,257	(\$1,179)	(\$829)	(\$347)	\$516	(\$4,877)	(\$5,206)		
Covered-employee payroll	\$8,321	\$7,937	\$7,959	\$7,612	\$7,716	\$7,645	\$7,593	\$7,273		
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-96.70%	15.84%	-14.81%	-10.89%	-4.50%	6.75%	-64.23%	-71.58%		
Plan fiduciary net position as a percentage of the total pension liability (asset)	113.25%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%		

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

**SCHODACK CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF CONTRIBUTIONS - PENSION PLANS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Last 10 Plan Fiscal Years (Dollar amounts displayed in thousands)</b>									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN</b>										
Contractually required contribution	\$ 309	\$ 408	\$ 394	\$ 397	\$ 399	\$ 366	\$ 433	\$ 408		
Contributions in relation to the contractually required contribution	<u>309</u>	<u>408</u>	<u>394</u>	<u>397</u>	<u>399</u>	<u>366</u>	<u>433</u>	<u>408</u>		
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Covered-employee payroll	\$ 2,691	\$ 2,732	\$ 2,819	\$ 2,762	\$ 2,756	\$ 2,588	\$ 2,517	\$ 2,345		
Contributions as a percentage of covered-employee payroll	11.47%	14.95%	13.98%	14.37%	14.47%	14.15%	17.22%	17.40%		
									Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.	
<b>NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN</b>										
Contractually required contribution	\$ 816	\$ 684	\$ 804	\$ 732	\$ 848	\$ 986	\$ 1,236	\$ 1,122		
Contributions in relation to the contractually required contribution	<u>816</u>	<u>684</u>	<u>804</u>	<u>732</u>	<u>848</u>	<u>986</u>	<u>1,236</u>	<u>1,122</u>		
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Covered-employee payroll	\$ 8,321	\$ 7,937	\$ 7,959	\$ 7,612	\$ 7,716	\$ 7,645	\$ 7,593	\$ 7,273		
Contributions as a percentage of covered-employee payroll	9.80%	8.62%	10.11%	9.61%	10.99%	12.90%	16.28%	15.42%		
									Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.	

**SCHODACK CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2022**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Total OPEB Liability</b>										
Service cost	\$ 1,974	\$ 2,203	\$ 1,599	\$ 1,783	\$ 1,731					
Interest	1,478	1,463	1,892	1,705	1,647					
Effect of plan changes	-	-	-	-	-					
Effect of demographic gains or losses	(9,654)	-	-	-	(42)					
Effect of assumptions changes or inputs	(5,439)	557	9,870	(4,432)	-					
Benefit payments	(1,727)	(1,855)	(1,793)	(1,524)	(1,384)					
<b>Total change in total OPEB liability</b>	<b>(13,369)</b>	<b>2,368</b>	<b>11,567</b>	<b>(2,467)</b>	<b>1,952</b>					
<b>Total OPEB liability - beginning</b>	<b>67,290</b>	<b>64,922</b>	<b>53,354</b>	<b>55,822</b>	<b>53,870</b>					
<b>Total OPEB liability - ending</b>	<b>\$ 53,922</b>	<b>\$ 67,290</b>	<b>\$ 64,922</b>	<b>\$ 53,354</b>	<b>\$ 55,822</b>					
<b>Covered-employee payroll</b>	<b>\$ 9,448</b>	<b>\$ 9,742</b>	<b>\$ 9,021</b>	<b>\$ 10,826</b>	<b>\$ 10,523</b>					
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	<b>570.69%</b>	<b>690.74%</b>	<b>719.64%</b>	<b>492.84%</b>	<b>530.48%</b>					

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

**Notes to schedule:**

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

Discount rate	3.54%	2.16%	2.21%	N/A	N/A
---------------	-------	-------	-------	-----	-----

**Plan Assets.** No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

**SUPPLEMENTARY INFORMATION**

**SCHODACK CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	School Lunch	Miscellaneous Special Revenue	Debt Service	Total Non-Major Governmental Funds
<b>ASSETS</b>				
Cash and equivalents - unrestricted	\$ 47,374	\$ -	\$ -	\$ 47,374
Cash and equivalents - restricted	-	263,208	3,765	266,973
Due from other funds	2,080		112	2,192
Accounts receivable	-	-	-	-
State and federal aid receivable	120,866	-	-	120,866
Inventory	3,957	-	-	3,957
<b>TOTAL ASSETS</b>	<b>\$ 174,277</b>	<b>\$ 263,208</b>	<b>\$ 3,877</b>	<b>\$ 441,362</b>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities				
Accounts payable	\$ 795	\$ 150	\$ -	\$ 945
Due to other funds	409	302	-	711
Due to other governments	35	-	-	35
Unearned revenues	32,652	-	-	32,652
<b>TOTAL LIABILITIES</b>	<b>33,891</b>	<b>452</b>	<b>-</b>	<b>34,343</b>
Fund balance				
Nonspendable				
Inventory	3,957	-	-	3,957
Restricted				
Debt	-	-	3,877	3,877
Other	-	262,756	-	262,756
<b>Total restricted fund balance</b>	<b>3,957</b>	<b>262,756</b>	<b>3,877</b>	<b>270,590</b>
Assigned				
Other	136,429	-	-	136,429
<b>Total assigned fund balance</b>	<b>136,429</b>	<b>-</b>	<b>-</b>	<b>136,429</b>
<b>TOTAL FUND BALANCE</b>	<b>140,386</b>	<b>262,756</b>	<b>3,877</b>	<b>407,019</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 174,277</b>	<b>\$ 263,208</b>	<b>\$ 3,877</b>	<b>\$ 441,362</b>

**SCHODACK CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	School Lunch	Miscellaneous Special Revenue	Debt Service	Total Non-Major Governmental Funds
<b>REVENUE:</b>				
Use of money and property	\$ -	\$ 303	\$ 159	\$ 462
Miscellaneous	-	111,916	-	111,916
State sources	10,975	-	-	10,975
Federal sources	571,886	-	-	571,886
Sales - school lunch	46,637	-	-	46,637
	<u>629,498</u>	<u>112,219</u>	<u>159</u>	<u>741,876</u>
<b>EXPENDITURES:</b>				
Cost of sales	611,366	-	-	611,366
Other	-	113,582	-	113,582
	<u>611,366</u>	<u>113,582</u>	<u>-</u>	<u>724,948</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<u>18,132</u>	<u>(1,363)</u>	<u>159</u>	<u>16,928</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Premium on issuance of debt	-	-	-	-
Operating transfers in	1,306	-	3,719	5,025
Operating transfers (out)	-	-	(396,229)	(396,229)
	<u>1,306</u>	<u>-</u>	<u>(392,510)</u>	<u>(391,204)</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND OTHER (USES)</b>	<u>19,438</u>	<u>(1,363)</u>	<u>(392,351)</u>	<u>(374,276)</u>
FUND BALANCE - beginning of year, as previously reported	120,948	168,381	396,228	685,557
RESTATEMENT (Note 16)	-	95,738	-	95,738
FUND BALANCE - beginning of year, as restated	<u>120,948</u>	<u>264,119</u>	<u>396,228</u>	<u>781,295</u>
FUND BALANCE - end of year	<u>\$ 140,386</u>	<u>\$ 262,756</u>	<u>\$ 3,877</u>	<u>\$ 407,019</u>

**OTHER INFORMATION (UNAUDITED)**



**SCHODACK CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET - GENERAL FUND  
AND SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2022**

---

**CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET**

Adopted budget	\$ 26,159,100
Add: Prior year's encumbrances	<u>243,889</u>
Original budget	26,402,989
Budget revision:	<u>2,874,880</u>
Final budget	<u>\$ 29,277,869</u>

**SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION**

2022-23 voter-approved expenditure budget	\$ 26,891,553	
Maximum allowed (4% of 2022-23 budget)		<u>\$ 1,075,662</u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law\*:

Unrestricted fund balance:	
Assigned fund balance	\$ 941,469
Unassigned fund balance	<u>1,075,662</u>
	<u>\$ 2,017,131</u>

Less:

Appropriated fund balance	\$ 750,000
Encumbrances included in assigned fund balance	<u>191,469</u>
Total adjustments	<u>\$ 941,469</u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u>\$ 1,075,662</u>
--	---------------------

Actual percentage	4.00%
-------------------	-------

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

SCHODACK CENTRAL SCHOOL DISTRICT

SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2022

PROJECT TITLE	Original Appropriation	Revised Appropriation	Expenditures			Unexpended Balance	Proceeds of Obligations	Methods of Financing			Fund Balance June 30, 2022
			Prior Years	Current Year	Total			State Aid	Local Sources	Total	
HS - Kitchen Auditorium Tech	\$ -	\$ 1,100,244	\$ 746,083	\$ -	\$ 746,083	\$ 354,161	\$ 90,768	\$ -	\$ 1,000,000	\$ 1,090,768	\$ 344,685
School Bus Purchases	2,074,933	3,170,882	3,170,882	-	3,170,882	-	3,170,886	-	-	3,170,886	4
School Bus Purchase 2018-19	155,000	154,136	154,136	-	154,136	-	154,136	-	-	154,136	-
School Bus Purchase 2019-20	160,000	156,438	160,000	-	160,000	(3,562)	160,000	-	-	160,000	-
School Bus Purchase 2020-21	173,000	173,000	173,000	-	173,000	-	173,000	-	-	173,000	-
School Bus Purchase 2021-22	195,500	189,033	-	189,033	189,033	-	190,475	-	-	190,475	1,442
2020-21 CPTL Project Admin Hot Water	100,000	100,000	100,750	(3,383)	97,367	2,633	-	-	100,000	100,000	2,633
2020-21 CPTL Project - CES Library	100,000	100,000	-	94,673	94,673	5,327	-	-	100,000	100,000	5,327
2021-22 Jr/Sr HS Roof - Voter Approved	350,000	350,000	-	261,175	261,175	88,825	-	-	350,000	350,000	88,825
2021-22 CPTL Project - Bus Garage Roof	100,000	100,000	-	18,588	18,588	81,412	-	-	100,000	100,000	81,412
2024-25 Capital Project	8,764,559	8,764,559	-	43,160	43,160	8,721,399	-	-	2,464,559	2,464,559	2,421,399
<b>Total</b>	<b>\$ 12,172,992</b>	<b>\$ 14,358,292</b>	<b>\$ 4,504,851</b>	<b>\$ 603,246</b>	<b>\$ 5,108,097</b>	<b>\$ 9,250,195</b>	<b>\$ 3,939,265</b>	<b>\$ -</b>	<b>\$ 4,114,559</b>	<b>\$ 8,053,824</b>	<b>\$ 2,945,727</b>

# SCHODACK CENTRAL SCHOOL DISTRICT

## SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2022

---

Capital assets, net		\$ 39,151,579
Deduct:		
Unamortized bond premium	2,890,420	
Short-term portion of leases payable	41,243	
Long-term portion of leases payable	131,894	
Short-term portion of bonds payable	1,770,000	
Long-term portion of bonds payable	<u>21,715,000</u>	26,548,557
Add:		
Unamortized amount on refunding bonds		492,226
Unspent bond proceeds		<u>709,386</u>
Net investment in capital assets		<u>\$ 13,804,634</u>

**REQUIRED REPORTS UNDER UNIFORM GUIDANCE**

**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**

October 12, 2022

To the Board of Education of  
Schodack Central School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Schodack Central School District (School District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 12, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School 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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

(Continued)

**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  
(Continued)**

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

October 12, 2022

To the Board of Education of  
Schodack Central School District:

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Schodack Central School District's (School District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2022. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

6 Wembley Court  
Albany, New York 12205  
p (518) 464-4080  
f (518) 464-4087

www.bonadio.com

(Continued)

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE (Continued)

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control over Compliance**

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

(Continued)



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE (Continued)**

**Report on Internal Control over Compliance (Continued)**

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

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

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

**SCHODACK CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing</u>	<u>Pass Through Grant Number</u>	<u>Expenditures</u>
<b>U.S. Department of Agriculture</b>			
Passed through New York State Department of Education			
<i>Child Nutrition Cluster</i>			
National School Lunch Program (Noncash food donations)	10.555	N/A	\$ 30,132
National School Lunch Program	10.555	N/A	<u>397,827</u>
Total National School Lunch Program			<u>427,959</u>
School Breakfast Program	10.553	N/A	<u>142,725</u>
Total Child Nutrition Cluster			<u>570,684</u>
State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Cost Grants	10.649	N/A	<u>1,202</u>
Total U.S. Department of Agriculture			<u>571,886</u>
<b>U.S. Department of Education</b>			
Passed through New York State Department of Education			
<i>Special Education Cluster (IDEA)</i>			
Special Education Grants to States	84.027	0032-22-0759	253,596
Special Education Preschool Grants	84.173	0033-22-0759	<u>14,535</u>
Total Special Education Cluster (IDEA)			<u>268,131</u>
Title I Grants to Local Educational Agencies	84.010	0021-22-2525	<u>38,809</u>
Supporting Effective Instruction State Grants	84.367	0147-22-2525	<u>12,705</u>
Student Support and Academic Enrichment Program	84.424	0204-22-2525	8,024
Student Support and Academic Enrichment Program	84.424	0204-21-2525	<u>5,112</u>
Total Student Support and Academic Enrichment Program			<u>13,136</u>
COVID-19 - Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - GEER II	84.425C	5896-21-2525	86,640
COVID-19 - Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - ESSER II	84.425D	5891-21-2525	188,177
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief - ARP Learning Loss	84.425U	5884-21-2525	10,502
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief - ARP Comprehensive After School	84.425U	5883-21-2525	24,893
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief - ARP Summer Enrichment	84.425U	5882-21-2525	<u>76,541</u>
Total COVID-19 Education Stabilization Fund			<u>386,753</u>
Total U.S. Department of Education			<u>719,534</u>
Total expenditures of federal awards			<u>\$ 1,291,420</u>

See independent auditors report.  
The accompanying notes to the schedule of federal awards are an integral part of the schedule.

# SCHODACK CENTRAL SCHOOL DISTRICT

## NOTES TO THE SCHEDULE OF EXPENDITURES AND FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2022

---

### 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Schodack Central School District (the School District), under programs of the federal government for the year ended June 30, 2022. The information in the Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position, or cash flows for the School District.

### 2. BASIS OF ACCOUNTING

The Schedule is presented using generally accepted accounting principles, as described in the School District's basic financial statements.

### 3. PASS-THROUGH PROGRAMS

Where the School District receives funds from a government entity other than the federal government (pass-through), the funds are accumulated based upon the Assistance Listing number advertised by the pass-through grantor.

Identifying numbers, other than Assistance Listing numbers, which may be assigned by pass-through grantors are not maintained in the School District's financial management system. The School District has identified certain pass-through identifying numbers and includes them in the schedule of expenditures of federal award, as available.

### 4. INDIRECT COSTS

Indirect costs are included in the reported expenditures to the extent they are included in the financial reports used as the source for the expenditures presented.

The School District did not elect to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

### 5. MATCHING COSTS

Matching costs, i.e., the School District's share of certain program costs, are not included in the reported expenditures.

### 6. SUBRECIPIENTS

No amounts were provided to subrecipients.

### 7. NONMONETARY ASSISTANCE

The School District is the recipient of a federal financial award program that does not result in cash receipts or disbursements termed a non-monetary program. During the year ended June 30, 2022, the School District received food commodities; the fair value of which amounted to \$30,132 is presented in the Schedule as National School Lunch Program (Assistance Listing No. 10.555).

# SCHODACK CENTRAL SCHOOL DISTRICT

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2022

---

### Section I—Summary of Auditor’s Results

#### Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

Yes  No

Significant deficiencies identified?

Yes  None reported

Noncompliance material to financial statements noted?

Yes  No

#### Federal Awards

Internal control over major programs:

Material weakness(es) identified?

Yes  No

Significant deficiencies identified

Yes  None reported

Type of auditor's report issued on compliance for major federal programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)?

Yes  No

Identification of major federal programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.425C, 84.425D, 84.425U  
10.553, 10.555

COVID-19 - Education Stabilization Fund  
Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

Yes  No

**SCHODACK CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
FOR THE YEAR ENDED JUNE 30, 2022**

---

**Section II—Financial Statement Findings**

None.

**Section III—Federal Award Findings and Questioned Costs**

None.