

**CLARKSTOWN CENTRAL
SCHOOL DISTRICT
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

CLARKSTOWN CENTRAL SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Clarkstown Central School District

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the fiduciary fund of the District, as of June 30, 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 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

As described in Note 1 to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*, during the year ended June 30, 2022. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in District's total other post-employment benefits liability, schedule of District's proportionate share of the net pension asset/(liability), schedule of District's contributions and related ratios on pages 3 through 17 and 61 through 65, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

R.S. Abrams & Co., LLP

R.S. Abrams & Co., LLP
Islandia, New York
October 24, 2022

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 1

The following is a discussion and analysis of the Clarkstown Central School District’s (the “District”) financial performance for the fiscal year ended June 30, 2022. This section is a summary of the District’s financial activities based on currently known facts, decisions, or conditions. It is also based on both the District-Wide and Fund Financial Statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District’s financial statements, which immediately follow this section.

1. FINANCIAL HIGHLIGHTS

- Through a combination of strategic budgeting and the proper utilization of the reserves, the District was able to maintain a tax levy increase for the 2022-2023 school year at a level that was within the allowable limit as per the New York State property tax cap formula.
- New York State Law limits the amount of assigned and unassigned fund balance, excluding encumbrances and amounts designated for the subsequent year’s budget, which can be retained by the general fund up to 4.00% of the ensuing year’s budget. At the end of the current fiscal year, this amount for the general fund was \$9,099,855, or 3.94%, and is therefore within the statutory limit.
- The District’s expenses for the year, as reflected in the District-Wide Financial Statements, totaled \$219,632,081. Of this amount, \$5,222,771 was offset by program charges for services and \$14,320,126 was offset by operating grants and contributions. General revenues of \$215,660,294 amount to 91.69% of total revenues.
- The general fund total fund balance, as reflected in the Fund Financial Statements, increased by \$744,460. This was due to an excess of revenues and other financing sources over expenditures and other financing uses based on the modified accrual basis of accounting.
- The District adopted GASB Statement No. 87, *Leases*, in July of 2021. See Note 19 to the financial statements for further information.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

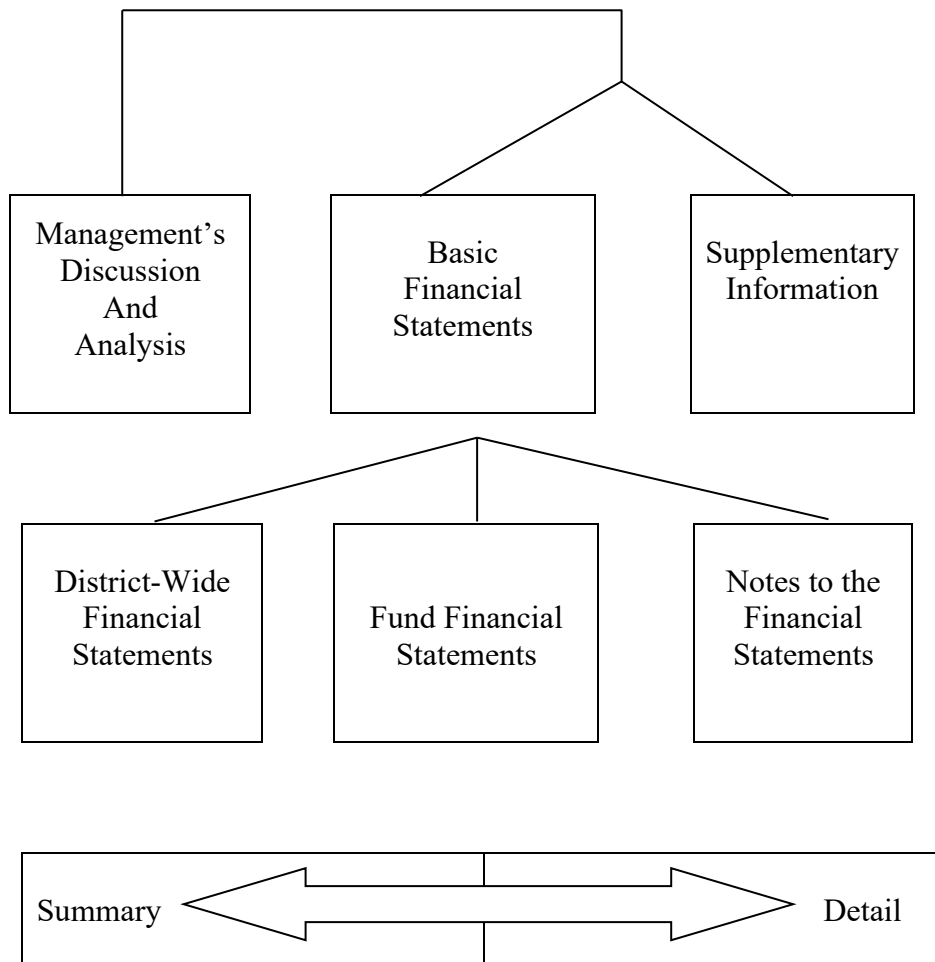
**CLARKSTOWN CENTRAL SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 1

- o *Fiduciary Fund Financial Statements* provide information about the financial relationships in which the District acts solely as a custodian for the benefit of others, such as real property taxes collected on behalf of other governments and disbursed to those governments.

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

Organization of the District’s Annual Financial Report



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

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 1

Major Features of the District-Wide Financial Statements and Fund Financial Statements

	District-Wide Financial Statements	Fund Financial Statements	
		Governmental	Fiduciary
Scope	Entire entity (except fiduciary funds)	The day-to-day operating activities of the District, such as special education and instruction	Instances in which the District administers resources on behalf of others, such as real property taxes collected on behalf of another local government
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances	• Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual and current financial resources measurement focus	Accrual accounting and economic resources focus
Type of asset/deferred outflow of resources and liability/deferred inflow of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Current assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources (if any), both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow and outflow information	All revenues and expenses during the year; regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 1

A) District-Wide Financial Statements:

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

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

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

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

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

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

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 1

B) Fund Financial Statements:

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

The District has two kinds of funds:

- *Governmental funds:* Most of the basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the Governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the programs of the District. Because this information does not encompass the additional long-term focus of the District-Wide Financial Statements, additional information in a separate reconciliation schedule explains the relationship (or differences) between them. In summary, the Governmental Fund Financial Statements focus primarily on the sources, uses, and balances of current financial resources and often has a budgetary orientation. Included are the general fund, special aid fund, school lunch fund, miscellaneous special revenue fund, and capital projects fund. Required statements are the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances.
- *Fiduciary fund:* The District is the custodian or *fiduciary* for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-Wide Financial Statements because it cannot use these assets to finance its operations. Fiduciary fund reporting focuses on net position and changes in net position. The fund reports real property taxes collected on behalf of other governments and disbursed to those governments.

3. FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A) Net Position:

Non-current assets and long-term liabilities for 2021 have been restated to reflect the implementation of GASB Statement No. 87, *Leases*. See Note 19 to the financial statements for further information. Additionally, adjustments were made to reconcile differences identified between the District's records and the net investment in capital assets prepared for the fiscal year ended June 30, 2022. See Note 19 to the financial statements for further information.

	As Restated 2021	As Reported 2021	Increase (Decrease)
Non-current assets	\$ 102,819,485	\$ 100,262,377	\$ 2,557,108
Long-term liabilities	303,708,863	299,111,671	4,597,192
Net Investment in capital assets	53,585,601	55,625,685	(2,040,084)

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 1

The District's total net position increased by \$15,571,110 in the fiscal year ended June 30, 2022, as detailed in the table that follows.

Condensed Statement of Net Position

	2022	As Restated 2021	Change	Total Percentage Change
Current assets and other assets	\$ 64,675,099	\$ 58,962,764	\$ 5,712,335	9.69%
Capital assets and intangible lease assets, net	98,518,310	102,819,485	(4,301,175)	-4.18%
Net pension asset -proportionate share	106,896,661	-	106,896,661	N/A
Total Assets	270,090,070	161,782,249	108,307,821	66.95%
Deferred outflows of resources	90,356,035	75,638,573	14,717,462	19.46%
Total assets and deferred outflows of resources	360,446,105	237,420,822	123,025,283	51.82%
Other liabilities	19,362,589	15,937,099	3,425,490	21.49%
Long-term liabilities	304,551,924	303,708,863	843,061	0.28%
Total Liabilities	323,914,513	319,645,962	4,268,551	1.34%
Deferred inflows of resources	147,974,327	44,788,705	103,185,622	230.38%
Total liabilities and deferred inflows of resources	471,888,840	364,434,667	107,454,173	29.49%
Net Position				
Net investment in capital assets	56,510,997	53,585,601	2,925,396	5.46%
Restricted	34,132,609	33,595,169	537,440	1.60%
Unrestricted (Deficit)	(202,086,341)	(214,194,615)	12,108,274	5.65%
Total Net Position (Deficit)	\$ (111,442,735)	\$ (127,013,845)	\$ 15,571,110	12.26%

Current assets and other assets increased by \$5,712,335, primarily related to an increase in cash and cash equivalents, primarily in the general fund and the capital fund.

Capital assets and intangible lease assets (net of accumulated depreciation and amortization) decreased \$4,301,175 due to current year's depreciation expense and loss on disposals and amortization expense, offset by current year's capital asset additions.

The net pension asset - proportionate share - teachers' retirement system and net pension asset - proportionate share - employees' retirement system resulted in a total net pension asset of \$106,896,661 as a result of the actuarial valuation provided by the state.

The change in deferred outflows of resources represents amortization on the deferred charges on refundings, as discussed in Note 12, amortization of the pension related items and the change in the District's contributions subsequent to the measurement date, as discussed in Note 13, and amortization of the total other post-employment benefits obligation as discussed in Note 15.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 1

Other liabilities increased by \$3,425,490, primarily due to the increases in accounts payable, accrued liabilities, and due to teachers' retirement system offset by decreases in accrued interest payable and due to employees' retirement system.

Long-term liabilities increased by \$843,061, primarily due to the increase in lease liability, compensated absences payable, and total other post-employment benefits obligation, as actuarially determined, offset by principal payments on bonds payable, installment purchase debt payable, energy performance contract debt payable, and a decrease in the net pension liability, as actuarially determined.

The change in deferred inflows represent amortization of pension related items, as discussed in Note 13, and deferred inflows for other post-employment benefits obligation, as discussed in Note 15.

The net investment in capital assets relates to the investment in capital assets and intangible lease assets at cost (and at the present value of future lease payments remaining on the lease term for intangible lease assets) such as land, construction in progress, buildings and improvements, and machinery and equipment, net of accumulated depreciation and amortization and related debt (including debt related items such as premiums). This number increased from the prior year by \$2,925,396, primarily due to capital asset and intangible lease asset additions and current year principal payments for bonds and installment purchase debt offset by current year depreciation expense and loss on disposals and amortization expense.

The restricted net position at June 30, 2022, relates to the District's reserves and restricted amounts for debt service and scholarships and donations. Restricted net position increased by \$537,440 or 1.60%.

The unrestricted net deficit at June 30, 2022 of \$202,086,341 relates to the balance of the District's net position. The unrestricted net deficit decreased by \$12,108,274.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 1

B) Changes in Net Position:

The results of operations as a whole are reported in the Statement of Activities. A summary of this statement for the fiscal years ended June 30, 2022 and 2021 are as follows:

Change in Net Position from Operating Results

	Fiscal Year 2022	Fiscal Year 2021	Increase (Decrease)	Percentage Change
Program Revenues				
Charges for services	\$ 5,222,771	\$ 3,699,993	\$ 1,522,778	41.16%
Operating grants and contributions	14,320,126	6,691,914	7,628,212	113.99%
General Revenues				
Real property taxes and other tax items	174,519,399	170,171,038	4,348,361	2.56%
State sources	39,420,699	36,628,407	2,792,292	7.62%
Use of money and property	568,174	47,396	520,778	1098.78%
Other	1,152,022	1,285,872	(133,850)	-10.41%
Total Revenues	<u>\$ 235,203,191</u>	<u>\$ 218,524,620</u>	<u>\$ 16,678,571</u>	7.63%
Expenses				
General support	\$ 27,432,853	\$ 28,825,820	\$ (1,392,967)	-4.83%
Instruction	175,759,875	188,487,053	(12,727,178)	-6.75%
Pupil transportation	11,092,866	11,845,525	(752,659)	-6.35%
Community service	1,074,423	927,143	147,280	15.89%
Debt service - interest	867,533	1,039,304	(171,771)	-16.53%
Food service program	3,404,531	2,424,641	979,890	40.41%
Total Expenses	<u>\$ 219,632,081</u>	<u>\$ 233,549,486</u>	<u>\$ (13,917,405)</u>	-5.96%
Total Change in Net Position	<u>\$ 15,571,110</u>	<u>\$ (15,024,866)</u>	<u>\$ 30,595,976</u>	-203.64%

Information for 2021 was not restated because the information necessary was not readily available. The cumulative effect of applying the change in accounting principle is shown as an adjustment to beginning net position. See Note 19 for more information.

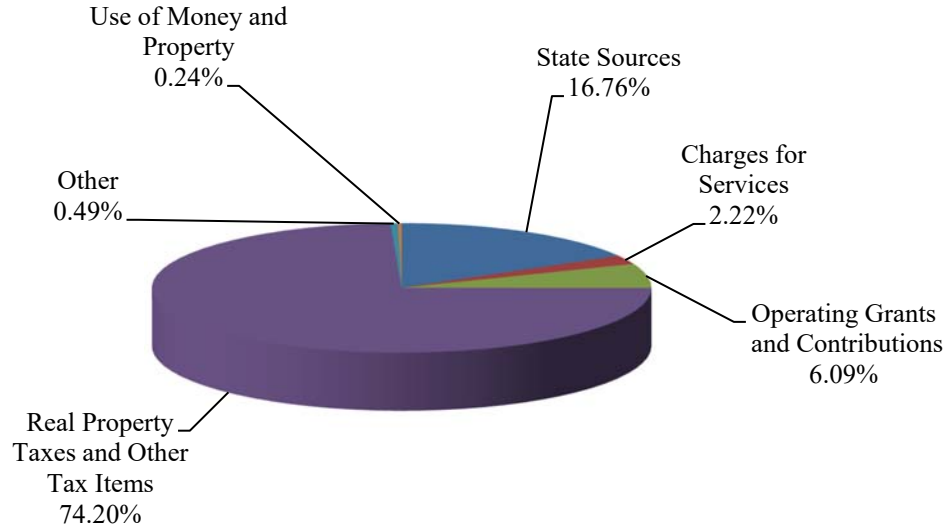
The District's fiscal year 2022 revenues totaled \$235,203,191. Real property taxes and other tax items and state sources accounted for most of the District's revenue by contributing 74.20% and 16.76%, respectively, of total revenue. The remainder came from charges for services, operating grants and contributions, use of money and property, and other miscellaneous sources. Total revenues increased by \$16,678,571, or 7.63%, primarily attributable to increases in charges for services, operating grants and contributions, real property taxes and other tax items, state sources, and use of money and property, offset partially by decreases in other revenues.

The cost of all programs and services totaled \$219,632,081 for fiscal year 2022. These expenses are predominantly related to instruction, which accounts for 80.02% of District expenses. The District's general support activities accounted for 12.49% of total expenses. Total expenses decreased by \$13,917,405, or 5.96%. This was primarily attributable to the reduction in instruction and general support due to the reduction in the net pension liability and associated expenses, offset by the increase in OPEB expenses. Both OPEB and the net pension liabilities are determined by an actuarial assessment.

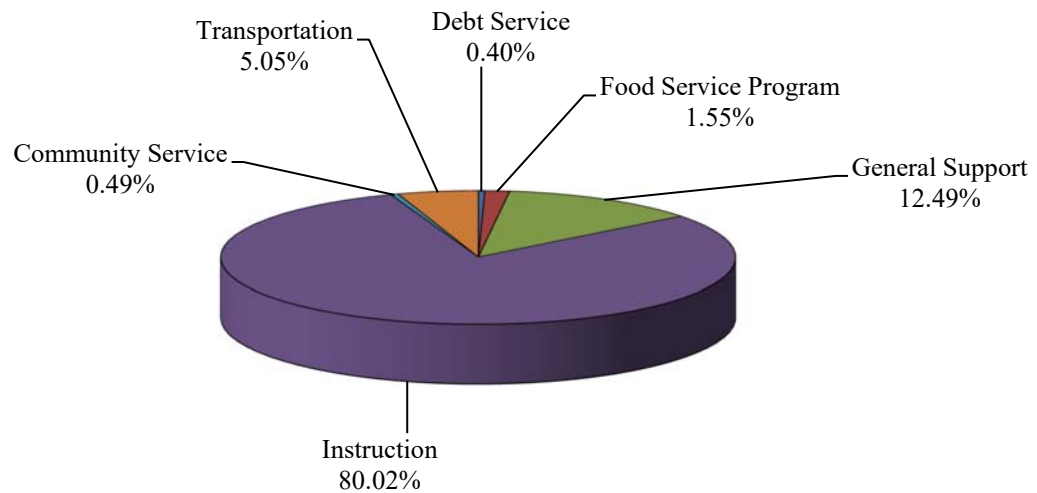
**CLARKSTOWN CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 1

Revenues for Fiscal Year 2022



Expenses for Fiscal Year 2022



**CLARKSTOWN CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 1

4. FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

As of June 30, 2022, the District's combined governmental funds reported a total fund balance of \$44,696,688 which is an increase of \$1,737,675 from the prior year. See the table on the following page for more information.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 1

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

	Fiscal Year 2022	Fiscal Year 2021	Increase/ (Decrease)	Total Percentage Change
General Fund				
Nonspendable	\$ 46,862	\$ 6,296	\$ 40,566	644.31%
Restricted for unemployment insurance	528,503	527,917	586	0.11%
Restricted for retirement contribution				
Employees' retirement system	3,611,541	3,607,532	4,009	0.11%
Teachers' retirement system	1,659,303	1,657,460	1,843	0.11%
Restricted for employee benefit				
accrued liability	1,771,357	1,769,390	1,967	0.11%
Restricted for capital	2,154,635	2,152,243	2,392	0.11%
Restricted for debt service	2,296,455	2,293,905	2,550	0.11%
Restricted for tax certiorari	13,408,474	13,393,587	14,887	0.11%
Assigned - general support	321,150	56,923	264,227	464.18%
Assigned - instruction	334,254	201,948	132,306	65.51%
Assigned - pupil transportation	10,590	6,091	4,499	73.86%
Assigned- employee benefits	-	95	(95)	-100.00%
Unassigned	9,099,855	8,825,132	274,723	3.11%
Total Fund Balance - General Fund	<u>\$ 35,242,979</u>	<u>\$ 34,498,519</u>	<u>\$ 744,460</u>	2.16%
School Lunch Fund				
Nonspendable	\$ 84,150	\$ 109,349	\$ (25,199)	-23.04%
Unassigned	1,130,040	-	1,130,040	N/A
Total Fund Balance - School Lunch Fund	<u>\$ 1,214,190</u>	<u>\$ 109,349</u>	<u>\$ 1,104,841</u>	1010.38%
Miscellaneous Special Revenue Fund				
Restricted for scholarships and donations	\$ 19,182	\$ 6,886	\$ 12,296	178.57%
Assigned - unappropriated	339,582	352,391	(12,809)	-3.63%
Total Fund Balance -				
Miscellaneous Special Revenue Fund	<u>\$ 358,764</u>	<u>\$ 359,277</u>	<u>\$ (513)</u>	-0.14%
Capital Projects Fund				
Restricted for capital	\$ 8,683,159	\$ 8,186,249	\$ 496,910	6.07%
Unassigned	(802,404)	(194,381)	(608,023)	-312.80%
Total Fund Balance - Capital Projects Fund	<u>\$ 7,880,755</u>	<u>\$ 7,991,868</u>	<u>\$ (111,113)</u>	-1.39%
 Total Fund Balance - All Funds	 <u>\$ 44,696,688</u>	 <u>\$ 42,959,013</u>	 <u>\$ 1,737,675</u>	 4.04%

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 1

A) General Fund

The fund balance in the general fund increased by \$744,460 as a result of revenues and other financing sources of \$220,672,114 exceeding expenditures and other financing uses of \$219,927,654.

Revenues and other financing sources increased by \$8,726,885, or 4.12%, compared to the prior year, primarily due to the increases in real property taxes and state sources.

Expenditures and other uses increased by \$8,659,310, or 4.10%, compared to the prior year, primarily due to an increases in expenditures for general support, instruction, employee benefits, and debt service principal and interest.

B) School Lunch Fund

The fund balance in the school lunch fund increased by \$1,104,841. This is primarily attributable to greater state and federal reimbursements exceeding the cost of distributing free meals to all students of the District.

C) Miscellaneous Special Revenue Fund:

The fund balance in the miscellaneous special revenue fund decreased by \$513 due to a decrease in the balance for extraclassroom activities, partially offset by an excess of scholarship donations over scholarships awarded.

D) Capital Projects Fund:

The fund balance in the capital projects fund decreased by \$111,113. This decrease is due to \$1,668,994 in capital outlay and other financing uses of \$601,013 transferred from the capital fund to the general fund for unspent appropriations amounts on completed capital projects offset by other financing sources of \$850,380.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A) 2021-2022 Budget:

The District's general fund adopted budget for the fiscal year ended June 30, 2022 was \$220,799,579. This amount was increased by encumbrances carried forward from the prior year in the amount of \$265,057 and budget revisions of \$223,808, bringing the final budget to \$221,288,444. The majority of the funding was provided by real property taxes and other tax items of \$174,237,224.

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

The general fund unassigned fund balance is a component to total fund balance that is the residual of prior years' excess revenues over expenditures, net of transfers to reserves and assignments to fund subsequent years' budgets. It is this balance that is commonly referred to as "Fund Balance."

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 1

The change in this balance demonstrated through a comparison of the actual revenues and other financing sources and expenditures, other funding uses and encumbrances for the year compared to budget are as follows:

Opening, unassigned fund balance	\$ 8,825,132
Revenues and other financing sources under budget	(151,273)
Expenditures, other financing uses, and encumbrances under budget	694,796
Interest allocated to reserves	(28,234)
Change in nonspendable fund balance	(40,566)
Budget revision- emergency repairs	(200,000)
Closing, unassigned fund balance	<u>\$ 9,099,855</u>

The opening unassigned fund balance of \$8,825,132 is the June 30, 2021 unassigned fund balance.

The revenues and other financing sources under budget of \$151,273 were primarily in other state aid offset by budgetary surpluses in charges for services, other financing sources, and miscellaneous revenues. Refer to Supplemental Schedule #1 for more details.

The expenditures, other financing uses, and encumbrances under budget of \$694,796 were across the budget, primarily in general support, instruction, and employee benefits. Refer to Supplemental Schedule #1 for more details.

Interest of \$28,234 was also allocated to the reserves as follows: \$586 to the unemployment insurance reserve, \$4,009 to the employees' retirement contribution reserve, \$1,843 to the teachers' retirement system reserve, \$1,967 to the employee benefit accrued liability reserve, \$2,392 to the capital reserve, \$2,550 to the debt service reserve, and \$14,887 to the tax certiorari reserve.

There were changes of \$40,566 to the nonspendable fund balance for prepaid items due to an increase in the balance of prepaid items.

The budget revision in the amount of \$200,000 was primarily due to unanticipated emergency repairs (see Supplemental Schedule #5 for detail).

The District will close the 2021-2022 fiscal year with \$9,099,855 in unassigned fund balance. NYS Real Property Tax Law §1318 restricts this number to an amount not greater than 4% of the District's budget for the ensuing fiscal year. The District's unassigned fund balance is within this legal limit.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 1

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

A) Capital Assets and Intangible Lease Assets:

The District paid for equipment and various building additions and renovations during fiscal year 2022. A summary of the District's capital assets and intangible lease assets net of depreciation and amortization are as follows:

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

Category	Fiscal Year 2022	As Restated Fiscal Year 2021	Net Increase/ (Decrease)	Percentage Change
Land	\$ 2,276,325	\$ 2,276,325	\$ -	0.00%
Construction in Progress	3,024,894	11,276,484	(8,251,590)	-73.18%
Buildings & Building Improvements	172,701,126	163,507,397	9,193,729	5.62%
Machinery and equipment	13,377,946	14,714,036	(1,336,090)	-9.08%
Subtotal	191,380,291	191,774,242	(393,951)	-0.21%
Less: Accumulated Depreciation	95,615,858	91,511,865	4,103,993	4.48%
Total Capital Assets, Net	<u>\$95,764,433</u>	<u>\$100,262,377</u>	<u>(\$4,497,944)</u>	-4.49%
Intangible Lease Assets, Net	<u>\$2,753,877</u>	<u>\$2,557,108</u>	<u>\$196,769</u>	7.69%

Depreciation expense and loss on disposals was \$5,568,95 and amortization expense was \$1,126,745. See Note 8 to the financial statements for more detail.

B) Long-Term Debt Obligations:

At June 30, 2022, the District had combined total debt outstanding of \$42,044,789. During fiscal year ended 2022, the bonds payable (inclusive of premiums) decreased \$6,839,444 due to principal payments and amortization of premium. During fiscal year 2022, the District reduced installment debt payable and energy performance contract debt payable with principal payments of \$438,572 and \$299,920, respectively. The District increased lease liability by \$257,269 due to new leases of \$1,323,514 offset by \$1,065,885 of principal payments.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 1

A summary of outstanding debt at June 30, 2022 and 2021 is as follows:

	2022	As Restated 2021	Increase/ Decrease
Bonds payable (inclusive of premium)	\$ 37,628,540	\$ 44,467,984	\$ (6,839,444)
Installment debt payable	1,601,512	2,040,084	(438,572)
Energy performance contract debt payable	-	299,920	(299,920)
Lease liability	2,814,737	2,557,108	257,629
Total	<u>\$ 42,044,789</u>	<u>\$ 49,365,096</u>	<u>\$ (7,320,307)</u>

Refer to Note 11 disclosure for further detail on the District's long-term debt obligations.

7. FACTORS BEARING ON THE DISTRICT'S FUTURE

- A) The general fund budget for the 2022-23 school year in the amount of \$230,706,789 was approved by voters. This is an increase of \$9,907,210, or 4.49%, over the previous year's budget. The majority of the funding was real property taxes and other tax items budget of \$177,359,690.
- B) Future budgets may be negatively affected by certain trends impacting school districts. These factors include rising health care premiums, increased costs associated with meeting the requirements for instructional services, and the property tax cap, which will continue to impact the District's ability to fund its current cost of services.

8. CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

Clarkstown Central School District
Mr. John LaNave
Assistant Superintendent for Business and Chief Administrative Officer
62 Old Middletown Road
New City, NY 10956
(845)-639-6300

Exhibit 2

CLARKSTOWN CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS

Current assets

Cash and cash equivalents

Unrestricted

\$ 19,552,192

Restricted

34,132,609

Receivables

Accounts receivable

42,273

State and federal aid

8,932,410

Due from other governments

1,884,603

Prepaid items

46,862

Inventories

84,150

Non Current Assets

Capital assets

Capital assets not being depreciated

5,301,219

Capital assets being depreciated, net of accumulated depreciation

90,463,214

Intangible lease asset, net of accumulated amortization

2,753,877

Net pension asset - proportionate share - employees' retirement system

5,376,983

Net pension asset - proportionate share - teachers' retirement system

101,519,678

TOTAL ASSETS270,090,070**DEFERRED OUTFLOWS OF RESOURCES**

Deferred charges on refundings

37,476

Pensions

69,953,390

Other post-employment benefits obligation

20,365,169

TOTAL DEFERRED OUTFLOWS OF RESOURCES90,356,035**TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**360,446,105**LIABILITIES**

Payables

Accounts payable

4,141,370

Accrued liabilities

2,559,063

Accrued interest payable

336,582

Due to teachers' retirement system

11,059,473

Due to employees' retirement system

805,367

Unearned credits

Collections in advance

460,734

Long-term liabilities

Due and payable within one year

Bonds payable (inclusive of unamortized premiums)

5,925,042

Installment purchase debt payable

1,601,512

Lease liability

1,183,989

Compensated absences payable

1,320,529

Due and payable after one year

Bonds payable (inclusive of unamortized premiums)

31,703,498

Lease liability

1,630,748

Compensated absences payable

2,876,720

Total other post-employment benefits obligation

258,309,886

TOTAL LIABILITIES323,914,513**DEFERRED INFLOWS OF RESOURCES**

Pensions

132,763,695

Other post-employment benefits obligation

15,210,632

TOTAL DEFERRED INFLOWS OF RESOURCES147,974,327**NET POSITION**

Net investment in capital assets

56,510,997

Restricted

Unemployment

528,503

Retirement contribution

5,270,844

Employee benefit accrued liability

1,771,357

Capital

10,837,794

Debt service

2,296,455

Tax certiorari

13,408,474

Scholarships and donations

19,182

34,132,609

Unrestricted (deficit)

(202,086,341)**TOTAL NET POSITION (DEFICIT)**\$ (111,442,735)

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
FUNCTIONS / PROGRAMS				
General support	(\$27,432,853)			\$ (27,432,853)
Instruction	(175,759,875)	\$4,525,437	\$10,102,167	(161,132,271)
Pupil transportation	(11,092,866)		419,194	(10,673,672)
Community service	(1,074,423)			(1,074,423)
Debt service - interest	(867,533)			(867,533)
Food service program	(3,404,531)	697,334	3,798,765	1,091,568
TOTAL FUNCTIONS AND PROGRAMS	(\$219,632,081)	\$5,222,771	\$14,320,126	(200,089,184)
GENERAL REVENUES				
Real property taxes				163,977,874
Other tax items - including STAR reimbursement				10,541,525
Use of money and property				568,174
Sale of property and compensation for loss				197,137
Miscellaneous				954,885
State sources				39,420,699
TOTAL GENERAL REVENUES				215,660,294
CHANGE IN NET POSITION				15,571,110
TOTAL NET POSITION (DEFICIT) - BEGINNING OF YEAR, AS RESTATED (SEE NOTE 19)				(127,013,845)
TOTAL NET POSITION (DEFICIT) - END OF YEAR				\$ (111,442,735)

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Capital Projects	Total Governmental Funds
ASSETS						
Cash and cash equivalents						
Unrestricted	\$ 18,907,957	\$ 38,622	\$ 266,031	\$ 339,582	\$ -	\$ 19,552,192
Restricted	33,026,738			19,182	1,086,689	34,132,609
Receivables						
Accounts receivable	25,801	-	16,472			42,273
State and federal aid	1,843,476	5,114,173	1,022,357		952,404	8,932,410
Due from other governments	1,884,603					1,884,603
Due from other funds	13,682,464	4,922,970	140,926		6,869,130	25,615,490
Prepaid items	46,862					46,862
Inventories			84,150			84,150
TOTAL ASSETS	\$ 69,417,901	\$ 10,075,765	\$ 1,529,936	\$ 358,764	\$ 8,908,223	\$ 90,290,589
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Payables						
Accounts payable	\$ 3,653,293	\$ 409,537	\$ 3,476		\$ 75,064	\$ 4,141,370
Accrued liabilities	2,483,367	41,559	34,137			2,559,063
Due to other funds	15,992,794	9,622,696				25,615,490
Due to teachers' retirement system	11,059,473					11,059,473
Due to employees' retirement system	805,367					805,367
Unearned credits						
Collections in advance	180,628	1,973	278,133			460,734
TOTAL LIABILITIES	34,174,922	10,075,765	315,746	-	75,064	44,641,497
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues					952,404	952,404
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	952,404	952,404
FUND BALANCES						
Nonspendable: Prepaid items	46,862					46,862
Nonspendable: Inventory			84,150			84,150
Restricted						
Unemployment	528,503					528,503
Retirement contribution						
Employees' retirement system	3,611,541					3,611,541
Teacher's retirement system	1,659,303					1,659,303
Employee benefit accrued liability	1,771,357					1,771,357
Capital	2,154,635				8,683,159	10,837,794
Debt service	2,296,455					2,296,455
Tax certiorari	13,408,474					13,408,474
Scholarships and donations				19,182		19,182
Assigned						
Unappropriated fund balance	665,994		1,130,040	339,582		2,135,616
Unassigned	9,099,855				(802,404)	8,297,451
TOTAL FUND BALANCES	35,242,979	-	1,214,190	358,764	7,880,755	44,696,688
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 69,417,901	\$ 10,075,765	\$ 1,529,936	\$ 358,764	\$ 8,908,223	\$ 90,290,589

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
JUNE 30, 2022**

Total Governmental Fund Balances \$ 44,696,688

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

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

Original cost of capital assets	\$ 191,380,291	
Accumulated depreciation	<u>(95,615,858)</u>	95,764,433

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

Cost of leased assets	\$ 3,880,622	
Accumulated amortization	<u>(1,126,745)</u>	2,753,877

Governmental funds report the effect of discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Deferred charges on refundings		37,476
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Deferred inflows of resources - The Statement of Net Position recognizes revenues and expenditures under the full accrual method. Governmental funds recognize revenue and expenditures under the modified accrual method. These amounts will be amortized in future years.

Deferred inflows related to pensions		(132,763,695)
Deferred inflows related to other post-employment benefits		(15,210,632)

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

Deferred outflows related to pensions		69,953,390
Deferred outflows related to other post-employment benefits		20,365,169

Deferred inflows of resources - unavailable revenues - The Statement of Net Position recognized revenues received under the full accrual method. Governmental funds recognize revenue under the modified accrual.

952,404

Certain disbursements previously expended in the governmental funds and invested with the pension system are treated as long term assets and increase net position. The teachers' retirement system and employees' retirement system pension asset - proportionate share amounted to:

106,896,661

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

(336,582)

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

Bonds payable (inclusive of unamortized premiums)	\$ (37,628,540)	
Installment purchase debt payable	(1,601,512)	
Lease liability	(2,814,737)	
Compensated absences payable	(4,197,249)	
Total other post-employment benefits obligation	<u>(258,309,886)</u>	(304,551,924)

Total Net Position (Deficit)	\$	<u><u>(111,442,735)</u></u>
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CLARKSTOWN CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General	Special Aid	School Lunch	Miscellaneous Special Revenue	Capital Projects	Total Governmental Funds
REVENUES						
Real property taxes	\$ 163,977,874	\$ -	\$ -	\$ -	\$ -	\$ 163,977,874
Other tax items - including STAR reimbursement	10,541,525					10,541,525
Charges for services	3,813,798			711,639		4,525,437
Use of money and property	567,936		232	6		568,174
Sale of property and compensation for loss	197,137					197,137
Miscellaneous	954,885					954,885
State sources	39,676,981	2,314,139	66,400			42,057,520
Federal sources		8,207,222	3,619,113			11,826,335
Surplus food			113,252			113,252
Sales			697,334			697,334
TOTAL REVENUES	219,730,136	10,521,361	4,496,331	711,645	-	235,459,473
EXPENDITURES						
General support	23,787,015					23,787,015
Instruction	127,664,241	10,801,666		637,089		139,102,996
Pupil transportation	8,274,511	419,194				8,693,705
Community service	856,641					856,641
Employee benefits	47,624,158					47,624,158
Debt service - principal	7,713,579					7,713,579
Debt service - interest	2,193,693					2,193,693
Cost of sales			3,404,531			3,404,531
Capital outlay					1,668,994	1,668,994
TOTAL EXPENDITURES	218,113,838	11,220,860	3,404,531	637,089	1,668,994	235,045,312
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,616,298	(699,499)	1,091,800	74,556	(1,668,994)	414,161
OTHER FINANCING SOURCES (USES)						
Operating transfers in	941,978	848,799	13,041	116,595	835,380	2,755,793
Operating transfers (out)	(1,813,816)	(149,300)		(191,664)	(601,013)	(2,755,793)
Proceeds from leases					1,323,514	1,323,514
TOTAL OTHER FINANCING SOURCES (USES)	(871,838)	699,499	13,041	(75,069.00)	1,557,881	1,323,514
NET CHANGE IN FUND BALANCES	744,460	-	1,104,841	(513)	(111,113)	1,737,675
FUND BALANCES - BEGINNING OF YEAR	34,498,519	-	109,349	359,277	7,991,868	42,959,013
FUND BALANCES - END OF YEAR	\$ 35,242,979	\$ -	\$ 1,214,190	\$ 358,764	\$ 7,880,755	\$ 44,696,688

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Net Change in Fund Balances \$ 1,737,675

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

Long-Term Revenue and Expense Differences

Deferred inflows of resources - The Statement of Net Position recognized revenues received under the full accrual method. Governmental funds recognize revenue under the modified accrual method. The difference in revenues recognized under the full accrual method for the fiscal year ended June 30, 2022 is (256,282)

In the Statement of Activities, compensated absences are measured by the amounts earned or incurred during the year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used. Compensated absences payable for the fiscal year ended June 30, 2022 changed by (846,487)

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

Teachers' retirement system	\$ 16,248,386	
Employees' retirement system	2,587,540	
Other post-employment benefits obligation	<u>(7,705,570)</u>	11,130,356

Capital Related Differences

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

Capital outlays	1,070,451	
Depreciation expense and loss on disposals	<u>(5,568,395)</u>	(4,497,944)

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

Intangible lease capital outlays	1,323,514	
Amortization expense	<u>(1,126,745)</u>	196,769

Long-Term Debt Transaction Differences

Proceeds from leases are recorded as revenue in the governmental funds, but not in the Statement of Activities (1,323,514)

Repayment of bond principal is an expenditure in the governmental funds, but it reduced long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. 6,300,000

Repayment of installment purchase debt payable is an expenditure in the governmental funds, but it reduced long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. 438,572

Repayment of energy performance contract debt payable is an expenditure in the governmental funds, but it reduced long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. 299,920

Repayment of lease liability principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities 1,065,885

Interest on long-term debt in the Statement of Activities differs from the amounts reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, interest expense is recognized as it accrues. Accrued interest from June 30, 2021 to June 30, 2022 changed by 805,452

Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The amount of amortization on the bond premium and deferred charges is: 520,708

Change in Net Position \$ 15,571,110

CLARKSTOWN CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUND
JUNE 30, 2022

	<u>Custodial</u>
ASSETS	
Cash	\$ -
Accounts receivable	
Due from governmental funds	
TOTAL ASSETS	<u>\$ -</u>
LIABILITIES	
Due to governmental funds	\$ -
Due to other governments	
Extraclassroom activity balance	
Other liabilities	
TOTAL LIABILITIES	<u>-</u>
NET POSITION	
Restricted	-
TOTAL NET POSITION	<u>-</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ -</u>

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Custodial</u>
ADDITIONS	
New City Library - real property taxes received	\$ 5,608,844
West Nyack Library - real property taxes received	<u>1,311,079</u>
TOTAL ADDITIONS	<u>6,919,923</u>
DEDUCTIONS	
New City Library - real property taxes disbursed	5,608,844
West Nyack Library - real property taxes disbursed	<u>1,311,079</u>
TOTAL DEDUCTIONS	<u>6,919,923</u>
CHANGE IN NET POSITION	-
NET POSITION - BEGINNING OF YEAR	<u>-</u>
NET POSITION - END OF YEAR	<u><u>\$ -</u></u>

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES:

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

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

A) Reporting entity:

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

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

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

B) Joint venture:

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

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

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the New York State General Municipal Law.

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

C) Basis of presentation:

District-Wide Financial Statements:

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

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

Fund financial statements:

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

The District reports the following major governmental funds:

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

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

Miscellaneous Special Revenue Fund: This fund is used to account for the assets held by the District in accordance with grantor or contributor stipulations for scholarships and awards. Other activities included in this fund are extraclassroom activities.

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

The District reports the following fiduciary fund:

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

D) Measurement focus and basis of accounting:

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

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

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, net pension liabilities, and other post-

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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employment benefits obligation, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

E) Real property taxes:

Calendar

Real property taxes are levied annually by the Board, and become a lien on July 1st. Taxes are collected by the Town of Clarkstown and are remitted to the District September through October 31, after which collection responsibility is transferred to Rockland County (“the County”) as discussed below.

Enforcement

Uncollected real property taxes are subsequently enforced by the County in which the District is located. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the District no later than the following April 1st.

F) Restricted resources:

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

G) Interfund transactions:

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

In the District-Wide Financial Statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary fund). Eliminations have been made for all interfund receivables and payables between the funds.

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

Refer to Note 9 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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H) Estimates:

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

I) Cash and cash equivalents:

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

J) Receivables:

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

K) Prepaid items and inventories:

Inventories of food in the school lunch fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food donated by the U.S. Department of Agriculture, at the Government's stated value, which approximates market. Purchases of inventorable items in other funds are recorded as expenses/expenditures at the time of purchase, and are considered immaterial in amount.

Non-spendable fund balance for these non-liquid assets (inventories) has been recognized in the school lunch fund to signify that a portion of fund balance is not available for other subsequent expenditures.

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

Non-spendable fund balance for these non-liquid assets (prepaid items) has been recognized in the general fund to signify that a portion of fund balance is not available for other subsequent expenditures.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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L) Capital assets:

Capital assets are reflected in the District-Wide Financial Statements. Capital assets are reported at actual cost, when the information is available, or estimated historical cost based on professional third-party information. Donated assets are reported at acquisition value at the time received.

All capital assets, except land and construction in progress, are depreciated on a straight-line basis over their estimated useful lives. Capitalization thresholds (the individual dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-Wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and improvements	\$10,000	Straight-line	20-50 years
Machinery and equipment	\$10,000	Straight-line	5-15 years

M) Intangible lease assets:

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

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

N) Collections in advance:

Collections in advance arise when the District receives resources 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 District has legal claim to the resources, the liability for collections in advance is removed and revenues are recorded. Collections in advance as of June 30, 2022 consisted of summer program deposits for the subsequent year received in the general fund, federal grant monies received for the subsequent year in the federal fund, and grant advances as well as prepaid balances for meals and grant advances in the school lunch fund.

O) Deferred outflows and inflows of resources:

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

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. These amounts are related to deferred charges on refundings, pensions, and other post-employment benefits obligation, reported in the District-Wide Statement of Net Position, which are detailed further in Note 12, Note 13, and Note 15, respectively.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. These amounts are related to pensions and other post-employment benefits in the District-Wide Statement of Net Position, and are detailed further in Note 13 and Note 15, respectively.

In addition to liabilities, the Governmental Funds Balance Sheet will sometimes report deferred inflows of resources when potential revenues do not meet the availability criterion for recognition in the current period. These amounts are recorded as deferred inflows of resources. In subsequent periods, when the availability criterion is met, deferred inflows of resources are classified as revenues.

P) Vested employee benefits:

Compensated absences:

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

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

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

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

In the Fund Financial Statements only, the amount of matured liabilities is accrued within the general fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you go basis. The liability is reported only for payments due for unused

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

compensated absences for those employees who have obligated themselves to separate from service with the District by June 30th.

Q) Other benefits:

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

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

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

R) Short-term debt:

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

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

The District may issue Bond Anticipation Notes (BAN) in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue dated. Refer to Note 10 for more information on short term debt.

S) Accrued liabilities and long-term obligations:

Payables, accrued liabilities and long-term obligations are reported in the District-Wide Financial Statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Compensated absences, net pension

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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liabilities, and other post-employment benefit obligations that will be paid from governmental funds, are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds, installment purchase debt, and other long-term obligations that will be paid from governmental funds are recognized as a liability in the Fund Financial Statements when due.

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

T) Equity classifications:

District-Wide Financial Statements:

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

Net investment in capital assets consists of net capital assets and intangible lease assets (cost less accumulated depreciation and present value of future lease payments remaining on the lease term less accumulated amortization) plus unamortized deferred charges on refunding, reduced by outstanding balances of related debt obligations from the acquisition, constructions, or improvements of those assets, as well as the unamortized premiums on bonds.

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

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

Fund Financial Statements:

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

Non-spendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the prepaid items recorded in the general fund of \$46,862 and inventory recorded in the school lunch fund of \$84,150.

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.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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The District has established the following as restricted:

Unemployment Insurance Reserve

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

Retirement Contribution Reserve

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

Employee Benefit Accrued Liability Reserve

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

Capital

Capital reserve (EL§3651) must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of 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 and the capital projects fund.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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Restricted for Debt Service

The unexpended balances of proceeds of borrowings for capital projects, interest and earnings from investing proceeds of borrowings, and borrowing premiums can be recorded as amounts restricted for debt service. These restricted funds are accounted for in the general fund.

Tax Certiorari

Tax Certiorari reserve (EL§3651) must be used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount that might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the general fund on or before the first day of the fourth fiscal year after deposit of these monies. This reserve is accounted for in the general fund.

Restricted for Scholarships and Donations

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

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

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

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

Unassigned fund balance includes \$9,099,855 in the general fund and a deficit of \$802,404 in the capital projects fund. The deficit fund balance will be eliminated once funding from New York State Smart Schools Bond Act is obtained.

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

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
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fund balance are also excluded from the 4% limitation. The District's unassigned fund balance in the general fund at June 30, 2022 is within the legal limit.

Order of Use of Fund Balance

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications (i.e. expenditures related to reserves), the Board will assess the current financial condition of the District and then determine the order of application of expenditures to which fund balance classification will be charged.

U) New accounting pronouncements:

GASB has issued Statement No. 87, *Leases*, effective for fiscal year ended June 30, 2022. This Statement establishes a single model for lease accounting based on the idea that leases are financings of the right-to-use an underlying asset. As such, under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and the lessor is required to recognize a lease receivable and a deferred inflow of resources. The District has adopted and implemented GASB Statement No. 87, *Leases*, in 2022. See Note 19 for further consideration.

V) Future accounting pronouncements:

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, defines a subscription-based technology arrangement as a contract that conveys control of the right to use a vendor's software, alone or in combination with tangible capital assets requiring governments to recognize a right-to-use subscription asset and a corresponding subscription liability. The requirements of this Statement are effective for periods beginning after June 15, 2022.

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

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

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

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

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. The difference primarily results

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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from additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets.

B) Statement of Revenues, Expenditures, and Changes in Fund Balances and the Statement of Activities:

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

Long-term revenue and expense differences:

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

Capital related differences:

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

Long-term debt transaction differences:

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

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

A) Budgets:

The District administration prepares a proposed budget for approval by the Board for the following governmental funds for which legal (appropriated) budgets are adopted. The voters of the District approved the proposed appropriation budget for the general fund. Appropriations are adopted at the program line item level.

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

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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Exhibit 10

appropriations, if any, that occurred during the fiscal year are shown on the other supplemental information – schedule of change from adopted budget to final budget.

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

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

B) Encumbrances:

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as amounts assigned in the fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

NOTE 4 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS:

A) Cash and Cash Equivalents:

New York State law governs the District's investment policies. Resources must be deposited in Federal Deposit Insurance Company (FDIC) insured commercial banks or trust companies located within the state. Permissible investments include obligations of the United States Treasury, United States agencies, repurchase agreements, and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and districts.

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

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

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

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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Exhibit 10

B) Restricted Cash and Cash Equivalents:

Restricted cash and equivalents represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash at June 30, 2022 included \$34,132,609 within the governmental funds for general reserves, and amounts restricted for debt service and scholarships and donations.

C) Investments:

The District does not typically purchase investments for a long enough duration to cause it to believe that it is exposed to any material interest rate risk. The District also does not typically purchase investments denominated in a foreign currency, and is not exposed to foreign currency risk.

NOTE 5 – PARTICIPATION IN BOCES:

During the fiscal year, the District was billed \$14,295,258 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$2,212,806. Financial statements for the BOCES are available from the BOCES administrative office located at 65 Parrott Road, West Nyack, New York 10994.

NOTE 6 – DUE FROM OTHER GOVERNMENTS:

Due from other governments in the general fund at June 30, 2022 consisted of the following:

Health services and tuition billings	\$ 888,840
BOCES aid	<u>995,763</u>
Total due from other governments	<u>\$ 1,884,603</u>

District management has deemed these amounts to be fully collectible.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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NOTE 7 – STATE AND FEDERAL AID RECEIVABLES:

State and federal aid receivables at June 30, 2022 consisted of the following:

General Fund	
General aid	\$ 500,495
Excess cost aid	1,342,981
Total-General Fund	<u>\$ 1,843,476</u>
Special Aid Fund	
Federal and state grants	<u>\$ 5,114,173</u>
Total-Special Aid Fund	<u>\$ 5,114,173</u>
School Lunch Fund	
Federal reimbursement - meals	\$ 997,451
State reimbursement - meals	24,906
Total School Lunch Fund	<u>\$ 1,022,357</u>
Capital Projects Fund	
Smart Schools Bond Act grants	<u>\$ 952,404</u>
Total Capital Projects Fund	<u>\$ 952,404</u>
Total-State and federal aid receivables	<u><u>\$ 8,932,410</u></u>

The capital projects fund receivable of \$952,404 for Smart Schools Bond Act grants represents unavailable revenues, which is included in deferred inflows of resources on the balance sheet.

District management has deemed these amounts to be fully collectible.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
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NOTE 8 - CAPITAL ASSETS AND INTANGIBLE LEASE ASSETS:

A) Capital Assets:

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals/ Reclassifications</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 2,276,325	\$ -	\$ -	\$ 2,276,325
Construction in progress	11,276,484	795,306	(9,046,896)	3,024,894
Total capital assets not being depreciated	<u>13,552,809</u>	<u>795,306</u>	<u>(9,046,896)</u>	<u>5,301,219</u>
Capital assets being depreciated:				
Buildings and improvements	163,507,397	146,833	9,046,896	172,701,126
Machinery and equipment	14,714,036	128,312	(1,464,402)	13,377,946
Total capital assets being depreciated	<u>178,221,433</u>	<u>275,145</u>	<u>7,582,494</u>	<u>186,079,072</u>
Less accumulated depreciation:				
Building and improvements	80,883,703	4,841,491		85,725,194
Machinery and equipment	10,628,162	726,071	(1,463,569)	9,890,664
Total accumulated depreciation	<u>91,511,865</u>	<u>5,567,562</u>	<u>(1,463,569)</u>	<u>95,615,858</u>
Total capital assets being depreciated, net	<u>86,709,568</u>	<u>(5,292,417)</u>	<u>9,046,063</u>	<u>90,463,214</u>
Total capital assets, net	<u><u>\$ 100,262,377</u></u>	<u><u>\$ (4,497,111)</u></u>	<u><u>\$ (833)</u></u>	<u><u>\$ 95,764,433</u></u>

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

General support	\$ 18,543
Instruction	5,024,699
Transportation	<u>525,153</u>
Total depreciation expense and loss on disposals	<u><u>\$ 5,568,395</u></u>

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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Exhibit 10

B) Intangible Lease Assets:

The following schedule summarizes the District's intangible lease asset activity for the fiscal year ended June 30, 2022:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Intangible lease assets				
Furniture & equipment	\$ 2,557,108	\$ 1,323,514	\$ -	\$ 3,880,622
Total intangible lease assets being amortized	<u>2,557,108</u>	<u>1,323,514</u>	<u>-</u>	<u>3,880,622</u>
Less accumulated amortization:				
Furniture & equipment	-	(1,126,745)	-	(1,126,745)
Total accumulated amortization	<u>-</u>	<u>(1,126,745)</u>	<u>-</u>	<u>(1,126,745)</u>
Total intangible lease assets, net	<u>\$ 2,557,108</u>	<u>\$ 196,769</u>	<u>\$ -</u>	<u>\$ 2,753,877</u>

Amortization expense of \$1,126,745 was charged to the governmental functions as instruction.

NOTE 9 – INTERFUND TRANSACTIONS – GOVERNMENTAL FUNDS:

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. It is expected that all interfund payables should be repaid within one year.

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General fund	\$ 13,682,464	\$ 15,992,794	\$ 941,978	\$ 1,813,816
Special aid fund	4,922,970	9,622,696	848,799	149,300
School lunch fund	140,926		13,041	
Miscellaenous special revenue fund			116,595	191,664
Capital projects fund	6,869,130		835,380	601,013
Total governmental activities	<u>\$ 25,615,490</u>	<u>\$ 25,615,490</u>	<u>\$ 2,755,793</u>	<u>\$ 2,755,793</u>

The District typically transfers from the general fund to the special aid fund to fund the District's share of the costs for the summer program for students with disabilities and state supported Section 4201 schools, as required by New York State Law. The District transferred from the general fund to the school lunch fund to cover the negative balances on students who owe money to the District for meals. The District typically transfers from the general fund to the capital projects fund to finance capital construction projects. The District transferred from the capital projects fund to the general fund for unspent appropriations on completed capital projects. The District transferred from the miscellaneous special revenue fund to the general fund for student activities.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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Exhibit 10

NOTE 10 – SHORT-TERM LIABILITIES:

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

	Maturity	Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
TAN	11/5/2021	0.25%	\$ -	\$ 12,500,000	\$ 12,500,000	\$ -

On August 23, 2021, the District issued a tax anticipation note (TAN) for \$12,500,000 maturing on November 5, 2021, for interim financing of the general fund operations. The TAN has a stated interest rate of 0.25%, resulting in interest expense of \$6,250. It also includes a total premium of \$3,250, which results in a net interest cost of \$3,000.

NOTE 11 – LONG-TERM LIABILITIES:

	Beginning Balance	Issued	Redeemed	Ending Balance	Due within one year
Bonds payable					
Construction bonds	\$ 39,435,000	\$ -	\$ (6,225,000)	\$ 33,210,000	\$ 5,410,000
Tax certiorari bonds	75,000		(75,000)	-	
Plus: unamortized premiums on bonds	4,957,984		(539,444)	4,418,540	515,042
Total bonds payable	44,467,984	-	(6,839,444)	37,628,540	5,925,042
Other liabilities					
Installment purchase debt payable	2,040,084 *		(438,572)	1,601,512	1,601,512
Energy performance contract debt payable	299,920		(299,920)	-	
Lease liability	2,557,108 *	1,323,514	(1,065,885)	2,814,737	1,183,989
Compensated absences payable	3,350,762	972,389	(125,902)	4,197,249	1,320,529
Total other post-employment benefits obligation	235,063,962	29,782,587	(6,536,663)	258,309,886	
Net pension liability - proportionate share -					
Employees' retirement system	64,797		(64,797)	-	
Teachers' retirement system	15,864,246		(15,864,246)	-	
Total long-term liabilities	\$ 303,708,863	\$ 32,078,490	\$ (31,235,429)	\$ 304,551,924	\$ 10,031,072

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

*Beginning balance as restated. See Note 19 for further details.

The general fund has typically been used to liquidate long-term liabilities such as bonds payable, installment purchase debt payable, energy performance contract debt payable, lease liability, compensated absences payable, and total other post-employment benefits obligation.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

A) Bonds Payable:

Bonds payable is comprised of the following:

Description	Issue Date	Original Issue Amount	Final Maturity	Interest Rates	Outstanding at June 30, 2022
Construction	2008	12,308,730	April 2023	3.00-5.00%	\$ 1,135,000
Construction	2009	5,834,302	March 2024	3.00-4.00%	1,040,000
Refunding Bond Issue	2012	12,410,000	October 2022	2.00-4.00%	905,000
Refunding Bond Issue - Series A	2015	7,695,000	April 2024	2.00-5.00%	1,295,000
Refunding Bond Issue - Series B	2015	360,000	April 2024	1.75-4.00%	90,000
Construction	2015	5,440,875	November 2029	2.00-2.625%	3,290,000
Construction	2021	26,645,000	July 2032	2.00-5.00%	25,455,000
					<u>\$ 33,210,000</u>

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

Fiscal Year Ended June 30,	Principal	Interest	Total
2023	5,410,000	1,254,663	\$6,664,663
2024	3,520,000	1,036,631	4,556,631
2025	2,390,000	875,619	3,265,619
2026	2,620,000	764,369	3,384,369
2027	2,500,000	647,643	3,147,643
2028-2032	13,985,000	1,440,825	15,425,825
2033	2,785,000	27,850	2,812,850
	<u>\$33,210,000</u>	<u>\$6,047,600</u>	<u>\$39,257,600</u>

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

Unissued Debt

On December 10, 2015, voters approved a bond authorization for a total estimated cost not to exceed \$36,191,198 to construct infrastructure and other improvements (including roofs, boilers, and transformers). The District issued \$32,218,506 of debt, leaving authorized but unissued of \$3,972,692 as of June 30, 2022.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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Exhibit 10

B) Installment Purchase Debt Payable:

Installment purchase debt payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Outstanding at June 30, 2022
Installment purchase debt payable	7/1/2019	6/30/2023	2.90%	<u>\$1,601,512</u>

The following is a summary of debt service requirements for the installment purchase debt payable:

Fiscal Year Ended June 30,	Principal	Interest	Total
2023	\$ 1,601,512	\$ 72,254	\$ 1,673,766
	<u>\$ 1,601,512</u>	<u>\$ 72,254</u>	<u>\$ 1,673,766</u>

C) Lease Liability:

In 2022, the District adopted and implemented the provisions of GASB Statement No. 87, *Leases*. As such, the District recognized a lease liability obligation and an intangible lease asset for agreements whereby the District obtains the right to the present service capacity of an underlying asset and the right to determine the nature and manner of an underlying asset's use for a period of one year or greater. The District has entered into such lease agreements for various computers and other equipment items with an interest rate of 5%.

Principal and interest expense paid on the District's lease liability amount to \$1,065,885 and 154,797 respectively, for the fiscal year ended June 30, 2022.

Fiscal Year Ended June 30,	Principal	Interest	Total
2023	\$ 1,183,989	\$ 113,848	\$ 1,297,837
2024	988,606	59,086	1,047,692
2025	492,369	17,865	510,234
2026	105,017	4,643	109,660
2027	44,756	749	45,505
	<u>\$ 2,814,737</u>	<u>\$ 196,191</u>	<u>\$ 3,010,928</u>

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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D) Long-term Interest:

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

	<u>Total</u>
Interest paid	\$2,190,693
Less interest accrued in the prior year	(1,142,034)
Plus interest accrued in the current year	336,582
Less amortization on premiums on bonds	(539,444)
Plus amortization of deferred charges on refundings	<u>18,736</u>
Total interest expense on long-term debt	<u><u>\$864,533</u></u>

E) Premiums on Bonds:

Premiums on bonds, net of accumulated amortization, which is reported as a component of the related long-term liability, amounted to \$4,418,540 as of June 30, 2022. This represents premiums received on the 2015 bond refundings, as well as the April 2008, March 2009, and July 2020 bond issuances. These premiums are being amortized using the straight-line method over the respective lives of the bonds. Amortization of the bond premiums is recorded as a reduction in interest expense on the Statement of Activities.

NOTE 12 – DEFERRED OUTFLOWS OF RESOURCES – DEFERRED CHARGES ON REFUNDINGS

The deferred charges pertaining to the 2015 bond refunding as recorded in the District-Wide Financial Statements as deferred outflows of resources at June 30, 2022, consisted of the following:

Deferred charges	\$187,364
Accumulated amortization	<u>(149,888)</u>
Balance of deferred amounts	<u><u>\$37,476</u></u>

These deferred charges on refundings are being amortized on the District-Wide Financial Statements using the straight-line method over 10 years, the time to maturity of the refunding bonds at the point of refunding, and is recorded as an increase to interest expense on the District-Wide Statement of Activities.

NOTE 13 – PENSION PLANS:

A) Plan Description and Benefits Provided:

i) Teachers' Retirement System

The District participates in the New York State Teachers' Retirement System (TRS) (the System). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits to plan members and beneficiaries

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
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Exhibit 10

as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10 member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors, and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding the System may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany NY 12211-2395 or by referring to the TRS Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org.

ii) Employees' Retirement System

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

B) Funding Policies:

The Systems are noncontributory, except as follows:

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

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

For ERS, the Comptroller annually certifies the rates expressed as proportions of members' payroll annually, which are used in computing the contributions required to be made by employers to the pension accumulation fund, for the ERS' fiscal year ended March 31st. The District's contribution rates for ERS' fiscal year ended March 31, 2022 for covered payroll was 25.2% for Tier 1, 18.3% for Tiers 3 and 4, 15.3% for Tier 5, and 10.8% for Tier 6.

Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for TRS. The District's contribution rate for the TRS' fiscal year ended June 30, 2022 was 9.80% of covered payroll.

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

	NYSERS	NYSTRS
2022	\$ 3,578,170	\$ 10,253,245
2021	\$ 3,714,688	\$ 9,473,398
2020	\$ 3,376,592	\$ 8,615,697

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

At June 30, 2022, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) were measured as of March 31, 2022 for ERS and June 30, 2021 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2022	June 30, 2021
Net pension asset/(liability)	\$ 5,376,893	\$ 101,519,678
District's portion of the Plan's total net pension asset/(liability)	0.0657768%	0.585835%
Change in proportion since the prior measurement date	0.000703%	0.011724%

For the fiscal year ended June 30, 2022, the District recognized pension expense (credit) of \$1,016,775 for ERS and (\$5,987,162) for TRS. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 407,206	\$ 13,993,411	\$ 528,170	\$ 527,438
Net difference between projected and actual earnings on pension plan investments	-		17,607,367	106,250,848
Changes of assumptions	8,973,582	33,391,944	151,419	5,913,222
Changes in proportion and differences between the District's contributions and proportionate share of contributions	1,787,618	341,017	130,765	1,654,466
District's contributions subsequent to the measurement date	805,367	10,253,245		
	<u>\$ 11,973,773</u>	<u>\$ 57,979,617</u>	<u>\$ 18,417,721</u>	<u>\$ 114,345,974</u>

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/(liability) in the year ended June 30, 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:

	<u>ERS</u>	<u>TRS</u>
Fiscal year ended:		
2021	\$ -	\$ (13,272,036)
2022	(721,647)	(15,644,460)
2023	(1,509,152)	(19,729,815)
2024	(4,253,919)	(25,903,171)
2025	(764,597)	4,610,340
Thereafter	-	3,319,540
	<u>\$ (7,249,315)</u>	<u>\$ (66,619,602)</u>

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
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Actuarial Assumptions

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

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2022	June 30, 2021
Actuarial valuation date	April 1, 2021	June 30, 2020
Interest rate	5.90%	6.95%
Salary scale	4.40%	5.18% - 1.95%
Cost of living adjustments	1.4% annually	1.3%, annually
Decrement tables	April 1, 2015 - March 31, 2020	July 1, 2015 - June 30, 2020
	System's Experience	System's Experience
Inflation rate	2.70%	2.40%

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

For ERS, the actuarial assumptions used in the April 1, 2021 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

The long-term rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selections of Economic Assumptions for Measuring Pension Obligations*. 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 investment expense and inflation) for each major asset class, as well as historical investment data and plan performance.

CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Exhibit 10

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

<u>Measurement Date</u>	<u>ERS</u>		<u>TRS</u>	
	<u>March 31, 2022</u>		<u>June 30, 2021</u>	
<u>Asset type</u>	<u>Target</u>	<u>Long-term</u>	<u>Target</u>	<u>Long-term</u>
	<u>Allocation</u>	<u>expected real</u>	<u>Allocation</u>	<u>rate of return</u>
		<u>rate of return</u>		
Domestic equity	32%	3.30%	33%	6.80%
International equity	15%	5.85%	16%	7.60%
Global equity			4%	7.10%
Private equity	10%	6.50%	8%	10.00%
Real estate	9%	5.00%	11%	6.50%
Opportunistic/Absolute return strategies	3%	4.10%		
Credit	4%	3.78%		
Real assets	3%	5.58%		
Fixed income	23%	0.00%		
Cash and cash equivalents	1%	-1.00%	1%	-0.20%
Domestic fixed income securities			16%	1.30%
Global bonds			2%	0.80%
High-yield bonds			1%	3.80%
Private debt			1%	5.90%
Real estate debt			7%	3.30%
	<u>100%</u>		<u>100%</u>	

The expected real rate of return is net of the long-term inflation assumptions of 2.50% for ERS and 2.40% for TRS.

Discount Rate

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

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

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

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

	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
ERS			
District's proportionate share of the net pension asset/(liability)	<u>(\$13,840,926)</u>	<u>\$5,376,983</u>	<u>\$21,451,310</u>
	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
TRS			
District's proportionate share of the net pension asset/(liability)	<u>\$10,653,010</u>	<u>\$101,519,678</u>	<u>\$177,886,519</u>

Pension Plan Fiduciary Net Position

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

	(Dollars in Thousands)	
	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2022	June 30, 2021
Employers' total pension asset/(liability)	\$ (223,874,888)	\$ (130,819,415)
Plan Net Position	<u>232,049,373</u>	<u>148,148,457</u>
Employers' net pension asset/(liability)	<u>\$ 8,174,485</u>	<u>\$ 17,329,042</u>
Ratio of plan net position to the		
Employers' total pension asset/(liability)	103.65%	113.25%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2022 represent the projected employer contribution for the period of April 1, 2022 through June 30, 2022 based on paid ERS

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2022 amounted to \$805,367.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2022 are paid to the System in September, October, and November 2022 through a state aid intercept, with a balance to be paid by the District, if necessary. Accrued retirement contributions as of June 30, 2022 represent employee and employer contributions for the fiscal year ended June 30, 2022 based on paid TRS wages multiplied by the employer's contribution rate, and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2022 amounted to \$11,059,473.

NOTE 14 – OTHER RETIREMENT PLANS:

A) Tax Sheltered Annuities:

The District has adopted a 403(b) plan covering all eligible employees. Employees may defer up to 100% of their compensation subject to Internal Revenue Code elective deferral limitations. The District may also make non-elective contributions of certain termination payments based on collectively bargained agreements. Contributions made by the District and the employees for the year ended June 30, 2022, totaled \$213,506 and \$6,251,262 respectively.

B) Deferred Compensation Plan:

The District has established a deferred compensation plan in accordance with Internal Revenue Code §457 for eligible employees. The District makes no contributions into this Plan. The amount deferred by eligible employees for the year ended June 30, 2022 totaled \$521,745.

NOTE 15 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB):

A) General Information about the OPEB Plan:

Plan Description

The District's OPEB Plan (the "OPEB Plan"), defined as a single employer defined benefit plan, primarily provides post-employment health insurance coverage to retired employees and their eligible dependents in accordance with the provisions of various employment contracts. Benefits are provided through the New York State Health Insurance Program (NYSHIP), and are administered by Empire BlueCross BlueShield, United Healthcare, GHI/Value Options, and Caremark. Article 37 of the Statutes of the State assigns the authority to establish and amend benefit provisions to the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

Benefits Provided

The OPEB Plan provides medical and Medicare Part B benefits for retired employees and their eligible dependents. Benefit terms provide for the District to contribute 50% for individual or family coverage for the Clarkstown School's Administrator's Association, 74% of individual, and 59% of family coverage for other bargaining units, and 0% of the premiums for surviving spouses. The District recognizes the cost of the OPEB Plan annually as expenditures in the fund financial statements as payments are accrued. For measurement period ending June 30, 2022, the District contributed an estimated \$6,536,663 to the Plan, including \$6,536,663 for current premiums and \$0 to prefund benefits. Currently, there is no provision in the law to permit the District to fund OPEB by any other means than the "pay as you go" method.

Employees Covered by Benefit Terms

At July 1, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries/spouses currently receiving benefit payments	1,082
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	1,407
	<u>2,489</u>

Total OPEB Liability:

The District's total OPEB liability of \$258,309,886 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2021. Update procedures were used to roll forward the total OPEB liability to the measurement date.

Actuarial Assumptions and Other Inputs

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

Inflation	2.60%
Discount rate	3.54%
Healthcare cost trend rates	5.1% decreasing to 4.1% over 54 years
Retirees' share of benefit-related costs	50.00% of projected health insurance premiums for retirees and family, 100% for surviving spouse

The discount rate was based on a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

Mortality rates were based on the Pub-2010 Mortality Table (from RP-2014 Adjusted to 2006 Total Dataset Mortality Table) with generational projection of future improvements per the MP-2021 Ultimate Scale.

The actuarial assumptions used in the July 1, 2021 valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable. The Plan does not have credible data on which to perform an experience study. As a result, a full actuarial experience study is not applicable.

B) Changes in the Total OPEB Liability:

Balance at June 30, 2021	<u>\$ 235,063,962</u>
Changes for the fiscal year:	
Service cost	9,395,205
Interest	5,210,099
Differences between expected and actual experience	(3,058,265)
Changes in assumptions or other inputs	18,235,548
Benefit payments	<u>(6,536,663)</u>
Net changes	<u>23,245,924</u>
Balance at June 30, 2022	<u><u>\$ 258,309,886</u></u>

There were no significant plan changes since the last valuation.

Changes in assumptions or other inputs include the following:

- The discount rate was changed from 2.16% to 3.54%
- The healthcare cost trend rates changed from 6.60% to 5.10%.

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

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

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB liability	<u>\$300,962,941</u>	<u>\$258,309,886</u>	<u>\$223,777,903</u>

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.10%) or 1-percentage-point higher (6.10%) than the current healthcare cost trend rates:

	1% Decrease (4.10% decreasing to 3.10%)	Healthcare Cost Trend Rates (5.10% decreasing to 4.10%)	1% Increase (6.10% decreasing to 5.10%)
Total OPEB liability	<u>\$225,891,427</u>	<u>\$258,309,886</u>	<u>\$300,000,034</u>

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

For the fiscal year ended June 30, 2022, the District recognized OPEB expense of \$14,242,333. At June 30, 2022, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (7,592,430)
Changes of assumptions or other inputs	20,365,169	(7,618,202)
	<u>\$ 20,365,169</u>	<u>\$ (15,210,632)</u>

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

Fiscal Year ended June 30:	
2023	\$ (363,071)
2024	(363,071)
2025	(363,071)
2026	1,853,348
2027	2,222,217
Thereafter	2,168,185
	<u>\$ 5,154,537</u>

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

NOTE 16 – RISK MANAGEMENT:

A) General:

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

B) Public Entity Risk Pool:

The District and neighboring districts in Rockland County, New York, participate in the Rockland County Schools Cooperative Self-Insurance Plan for Workers' Compensation. This is a public entity risk pool created under Article 5, Workers' Compensation Law, to finance liability and risks related to workers' compensation claims. The District has transferred all related risk to the Plan.

C) Self- Insured Plan:

The District has established a self-insured plan for dental benefits up to \$1,500 per employee per year. Claims in excess of this amount are the responsibility of the employee. An administrator has been retained to manage this program. Expenditures for the fiscal year ended June 30, 2022 were \$1,734,884.

NOTE 17 - TAX ABATEMENTS:

The County of Rockland, under the authority of General Municipal Law Section 925-1, entered into various property tax abatement programs for the purpose of economic development, and general prosperity and economic welfare of the county. The District's property tax revenue was reduced by \$1,021,755 for these programs. The District received Payment in Lieu of Tax (PILOT) payments totaling \$376,415 for these programs during the fiscal year.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

NOTE 18 – COMMITMENTS AND CONTINGENCIES:

A) Encumbrances:

All encumbrances are classified as assigned or restricted fund balance. At June 30, 2022, the District encumbered the following amounts:

General fund

General support	\$ 321,150
Instruction	334,254
Pupil transportation	10,590
	<u>\$ 665,994</u>

School lunch fund

Food service program	<u>\$ 2,247</u>
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Capital projects fund

Capital projects	<u>\$ 2,940,866</u>
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B) Grants:

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

C) Litigation:

The District is involved in various litigation proceedings resulting from the normal conduct of its affairs. There are also pending tax certiorari proceedings, which may result in the District having to pay future tax refunds. The District has a reserve established to pay future payments for this.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Exhibit 10

NOTE 19 – RESTATEMENT OF NET POSITION

During the year ended June 30, 2022, the District implemented GASB Statement No. 87, *Leases*. The adoption and implementation of this Statement resulted in the restatement of opening balances of non-current assets, long-term liabilities, and net investment in capital assets.

The District's net position have been restated as follows:

	<u>Statement of Net Position</u>
Fund Balance/Net Position	
Beginning of Year as Reported	<u>\$ (124,973,761)</u>
Intangible lease assets	<u>2,557,108</u>
Total Assets	<u>2,557,108</u>
Installment purchase debt payable	2,040,084
Lease liability	<u>2,557,108</u>
Total Liabilities	<u>4,597,192</u>
Net investment in capital assets	<u>(2,040,084)</u>
Fund Balance/Net Position	
Beginning of Year, as Restated	<u>\$ (127,013,845)</u>

NOTE 20– SUBSEQUENT EVENTS:

Events that occur after the Statement of Net Position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of the District evaluated events through October 24, 2022, which is the date the financial statements were available to be issued and concluded that there were no events which took place that would have a material impact on its financial statements.

SUPPLEMENTARY INFORMATION

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
REVENUES				
Local Sources				
Real property taxes	\$ 173,937,224	\$ 163,811,632	\$ 163,977,874	\$ 166,242
Other real property tax items	300,000	10,425,592	10,541,525	115,933
Charges for services	2,301,000	2,301,000	3,813,798	1,512,798
Use of money and property	100,000	100,000	567,936	467,936
Sale of property and compensation for loss	55,000	56,750	197,137	140,387
Miscellaneous	208,707	230,860	954,885	724,025
State Sources				
Basic formula	24,811,184	24,811,184	22,880,759	(1,930,425)
Excess cost aid	1,765,504	1,765,504	6,478,032	4,712,528
Lottery aid	5,000,000	5,000,000	6,949,675	1,949,675
BOCES aid	2,308,252	2,308,252	2,212,806	(95,446)
Tuition for students with disabilities	-	-	27,890	27,890
Textbook aid	465,173	465,173	467,923	2,750
Computer software/hardware aid	215,531	215,531	213,485	(2,046)
Library A/V loan program aid	53,763	53,763	26,014	(27,749)
Other state aid	9,278,241	9,278,146	420,397	(8,857,749)
Other Financing Sources				
Transfers from other funds	-	-	941,978	941,978
TOTAL REVENUES AND OTHER FINANCING SOURCES	220,799,579	220,823,387	\$ 220,672,114	\$ (151,273)
Appropriated Fund Balance	-	200,000		
Appropriated Reserves	265,057	265,057		
TOTAL REVENUES, OTHER FINANCING SOURCES AND APPROPRIATED FUND BALANCE AND RESERVES	\$ 221,064,636	\$ 221,288,444		

Note to Required Supplementary Information

Budget Basis of Accounting

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

CLARKSTOWN CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-End Encumbrances	Final Budget Variance with Budgetary Actual and Encumbrances
EXPENDITURES					
General Support					
Board of education	\$ 210,209	\$ 234,837	\$ 225,157	\$ 5,828	\$ 3,852
Central administration	371,796	506,209	506,209	-	-
Finance	2,027,346	1,864,162	1,785,860	56,938	21,364
Staff	1,471,225	1,312,225	1,302,476	-	9,749
Central services	16,446,020	16,088,365	15,782,580	258,384	47,401
Special items	3,251,143	4,216,832	4,184,733	-	32,099
Total general support	23,777,739	24,222,630	23,787,015	321,150	114,465
Instructional					
Instruction, admin, and improvement	8,428,868	8,511,682	8,231,715	3,425	276,542
Teaching - regular school	70,765,702	69,601,511	69,442,689	133,285	25,537
Programs for children with handicap conditions	32,050,257	31,592,359	31,454,732	137,627	-
Occupational education	1,604,421	1,545,878	1,545,878	-	-
Teaching special schools	-	75	75	-	-
Instructional media	5,406,104	4,152,887	4,104,351	45,710	2,826
Pupil services	12,397,350	12,899,008	12,884,801	14,207	-
Total instructional	130,652,702	128,303,400	127,664,241	334,254	304,905
Pupil transportation	8,187,161	8,289,502	8,274,511	10,590	4,401
Community services	716,354	857,200	856,641	-	559
Employee benefits	48,357,760	47,894,622	47,624,158	-	270,464
Debt service - principal	6,599,921	7,713,580	7,713,579	-	1
Debt service - interest	2,102,999	2,193,694	2,193,693	-	1
Total debt service	8,702,920	9,907,274	9,907,272	-	2
TOTAL EXPENDITURES	220,394,636	219,474,628	218,113,838	665,994	694,796
Other Financing Uses					
Transfers to other funds	670,000	1,813,816	1,813,816	-	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 221,064,636</u>	<u>\$ 221,288,444</u>	<u>219,927,654</u>	<u>\$ 665,994</u>	<u>\$ 694,796</u>
Net change in fund balances			744,460		
Fund balances - beginning of year			34,498,519		
Fund balances - end of year			<u>\$ 35,242,979</u>		

Note to Required Supplementary Information

Budget Basis of Accounting

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

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY
AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED JUNE 30,***

TOTAL OPEB LIABILITY	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 9,395,205	\$ 9,216,214	\$ 8,040,289	\$ 9,242,927	\$ 8,973,716
Interest	5,210,099	5,114,002	7,805,418	6,946,007	6,650,234
Changes of benefit terms		-	-	-	-
Differences between expected and actual experience	(3,058,265)	-	(8,305,349)	-	(79,523)
Changes of assumptions or other inputs	18,235,548	1,782,320	5,860,154	(17,448,142)	-
Benefit payments	(6,536,663)	(6,435,219)	(5,920,156)	(6,204,442)	(5,708,324)
NET CHANGE IN TOTAL OPEB LIABILITY	23,245,924	9,677,317	7,480,356	(7,463,650)	9,836,103
TOTAL OPEB LIABILITY - BEGINNING	235,063,962	225,386,645	217,906,289	225,369,939	215,533,836
TOTAL OPEB LIABILITY - ENDING	\$ 258,309,886	\$ 235,063,962	\$ 225,386,645	\$ 217,906,289	\$ 225,369,939
COVERED-EMPLOYEE PAYROLL	\$ 116,484,386	\$ 114,447,737	\$ 114,447,737	\$ 114,370,005	114,370,005
TOTAL OPEB LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	221.75%	205.39%	196.93%	190.53%	197.05%

NOTES TO SCHEDULE:*Trust Assets*

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Changes of Assumptions

Changes of assumptions or other inputs reflect the effects of changes in the discount rate each period.

The following are the discount rates used in each period:

2022	3.54%
2021	2.16%
2020	2.21%
2019	3.50%
2018	3.00%

The following are the inflation rates used in each period:

2022	2.60%
2021	2.60%
2020	2.60%
2019	3.00%
2018	2.60%

The following are the medical trend rates used in each period:

2022	5.1% to 4.1% over 54 years
2021	6.6% to 4.1% over 56 years
2020	6.6% to 4.1% over 56 years
2019	7.5% to 4.5% over 7 years
2018	7.5% in 2017, decreasing 0.5% per year to an ultimate rate of 4.5% in 2023

*This schedule is intended to show information for 10 years; additional years will be displayed as they become available.

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

NYSERS Pension Plan								
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension asset / (liability)	0.0657768%	0.0650740%	0.0666189%	0.0675185%	0.0678799%	0.0701364%	0.0721181%	0.0730533%
District's proportionate share of the net pension asset / (liability)	\$ 5,376,983	\$ (64,797)	\$ (17,641,068)	\$ (4,783,888)	\$ (2,190,786)	\$ (6,590,175)	\$ (11,575,156)	\$ (2,467,920)
District's covered payroll	\$ 25,800,382	\$ 23,988,384	\$ 24,198,990	\$ 23,351,649	\$ 22,513,911	\$ 22,502,004	\$ 22,237,879	\$ 22,024,212
District's proportionate share of the net pension asset / (liability) as a percentage of its covered payroll	20.84%	0.27%	72.90%	20.49%	9.73%	29.29%	52.05%	11.21%
Plan fiduciary net position as a percentage of the total pension asset / (liability)	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%
NYSTRS Pension Plan								
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension asset / (liability)	0.585835%	0.574111%	0.558199%	0.547119%	0.542113%	0.544658%	0.555328%	0.573978%
District's proportionate share of the net pension asset / (liability)	\$ 101,519,678	\$ (15,864,246)	\$ 14,502,047	\$ 9,893,363	\$ 4,120,596	\$ (5,833,517)	\$ 57,680,924	\$ 63,937,594
District's covered payroll	\$ 99,868,396	\$ 99,102,527	\$ 93,174,392	\$ 89,119,624	\$ 83,870,731	\$ 85,379,488	\$ 84,645,521	\$ 83,779,038
District's proportionate share of the net pension asset / (liability) as a percentage of its covered payroll	101.65%	16.01%	15.56%	11.10%	4.91%	6.83%	68.14%	76.32%
Plan fiduciary net position as a percentage of the total pension asset / (liability)	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%

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

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
FOR THE FISCAL YEARS ENDED JUNE 30,**

NYSERS Pension Plan								
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 3,578,170	\$ 3,714,688	\$ 3,376,592	\$ 3,475,728	\$ 3,399,539	\$ 3,535,593	\$ 4,125,552	\$ 4,381,972
Contributions in relation to the contractually required contribution	<u>3,578,170</u>	<u>3,714,688</u>	<u>3,376,592</u>	<u>3,475,728</u>	<u>3,399,539</u>	<u>3,535,593</u>	<u>4,125,552</u>	<u>4,381,972</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 26,149,742	\$ 24,305,169	\$ 23,497,189	\$ 23,102,022	\$ 22,484,834	\$ 22,858,594	\$ 22,720,415	\$ 22,024,212
Contributions as a percentage of covered payroll	13.68%	15.28%	14.37%	15.05%	15.12%	15.47%	18.16%	19.90%

NYSTRS Pension Plan								
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 10,253,245	\$ 9,473,398	\$ 8,615,697	\$ 9,895,043	\$ 8,731,965	\$ 9,937,833	\$ 11,321,320	\$ 14,838,360
Contributions in relation to the contractually required contribution	<u>10,253,245</u>	<u>9,473,398</u>	<u>8,615,697</u>	<u>9,895,043</u>	<u>8,731,965</u>	<u>9,937,833</u>	<u>11,321,320</u>	<u>14,838,360</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 106,162,111	\$ 99,868,396	\$ 99,102,527	\$ 93,174,392	\$ 89,119,624	\$ 83,870,731	\$ 85,379,488	\$ 84,645,521
Contributions as a percentage of covered payroll	9.66%	9.49%	8.69%	10.62%	9.80%	11.85%	13.26%	17.53%

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET - GENERAL FUND
AND SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget			\$ 220,799,579
Add: Prior year's encumbrances			<u>265,057</u>
Original Budget			221,064,636
Budget revisions:			
Insurance recoveries	\$	1,750	
Donations		22,058	
Appropriated fund balance- emergency repairs		<u>200,000</u>	<u>223,808</u>
Final Budget			<u><u>\$ 221,288,444</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2022-23 voter approved expenditure budget			<u><u>\$ 230,706,789</u></u>
Maximum allowed (4% of 2022-2023 budget)			<u><u>\$ 9,228,272</u></u>
General fund fund balance subject to Section 1318 of Real Property Tax Law			
Assigned fund balance	\$	665,994	
Unassigned fund balance		<u>9,099,855</u>	
Total unrestricted fund balance			\$ 9,765,849
Less:			
Appropriated fund balance		-	
Encumbrances included in assigned fund balance		<u>665,994</u>	
Total adjustments			<u>665,994</u>
General fund fund balance subject to Section 1318 of Real Property Tax Law			<u><u>\$ 9,099,855</u></u>
Actual percentage			3.94%

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
CAPITAL PROJECTS SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Project Name	SED Code	Total Authorized Budget	Prior Years Expenses	Current Year Expenses	Transfers to General	Total	Unexpended Balance	General Fund Transfers	Capital Reserve	Fund Balance	Debt	State Sources	Other Financing Sources	Total	Balance June 30, 2022
Projects Funded Prior to 2018-19															
District-wide Telecom upgrade	NA	\$ 796,775	\$ -	\$ -	\$ -	\$ -	\$ 796,775	\$ -	\$ 796,775	\$ -	\$ -	\$ -	\$ -	\$ 796,775	\$ 796,775
District-wide ADA upgrades		225,000					225,000		225,000					225,000	225,000
Total Projects Funded Prior to 2018-19		1,021,775	-	-	-	-	1,021,775	-	1,021,775	-	-	-	-	1,021,775	1,021,775
2018-19 Fiscal Year Projects															
Phase IV - CLC Bldg Automation Control	0-001-016	22,621	17,530	(34)	5,126	22,621		22,621						22,621	
Phase IV - Birchwood Bldg Auto Cntrl, Drinking Fountain Replacement and Storefront and Door replacement	0-002-014	298,902	298,902	(1,332)	-	297,570		297,570						297,570	
Phase IV - NCES Bldg Auto Control and Drinking Fountains	0-003-015	40,104	40,104	(74)	-	40,030		40,030						40,030	
Phase IV - LTES Bldg Auto Control and Drinking Fountains	0-0004-016	33,070	33,070	(74)	-	32,996		32,996						32,996	
Phase IV - CGA Bldg Auto Control	0-0005-013	10,925	10,925	(34)	-	10,891		10,891						10,891	
Phase IV - WNES Bldg Auto Control and Drinking Fountains	0-0006-019	42,432	42,432	(74)	-	42,358		42,358						42,358	
Phase IV - BES Bldg Auto Control, Drinking Fountains, and Site Drainage	0-0007-021	336,605	303,238	33,367		336,605		186,276	150,329					336,605	
Phase IV - CHSN Turf Field replacement, Auditorium Seat replacement, Design Labs, Building Auto Control, and Drinking Fountains	0-0010-024	1,845,137	1,808,686	18,529	17,922	1,845,137		58,849	1,786,288					1,845,137	
Phase IV - LPES Bldg Auto Control and Drinking Fountains, playground and site improvements	0-0011-014	1,177,239	1,067,846	(2,621)	112,014	1,177,239		608,658	568,581					1,177,239	
Phase IV - FFMS Storefront and Door Replacement, Pool Deck Repair, new HVAC, Auditorium upgrades, Electrical Upgrades, Building Auto Control, and Drinking Fountains	0-0012-033	3,275,709	2,904,063	(40,963)	412,609	3,275,709		2,058,214	1,217,495					3,275,709	
Phase IV - LES Bldg Auto Control and Drinking Fountains	0-0013-015	24,158	24,158	(74)		24,084		24,084						24,084	
Phase IV - WGES Building Auto Control and Drinking Fountains	0-0016-015	33,669	33,743	(74)		33,669		19,524	14,145					33,669	
Phase IV - Lakewd Building Auto Control, Drinking Fountains, and Site Drainage	0-0017-012	46,446	46,788	(342)		46,446		32,301	14,145					46,446	
Phase IV - CHSS Turf Field replacement, Auditorium Sound upgrades, Tennis Courts, Building Auto Control, and Drinking Fountains	0-0018-025	2,321,132	2,381,797	(60,665)		2,321,132		227,766	2,093,366					2,321,132	
Phase IV - SES Building Auto Control and Drinking Fountains	0-0019-017	27,422	23,792	3,630		27,422		17,586	9,836					27,422	
Phase IV - Bus Garage Building Automation Controls	5-0005-005	11,046	9,997	1,049		11,046		8,892	2,154					11,046	
Total 2018-19 Fiscal Year Projects		9,546,617	9,047,071	(49,787)	547,671	9,544,954	-	3,688,615	5,856,339	-	-	-	-	9,544,954	-

CLARKSTOWN CENTRAL SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
CAPITAL PROJECTS SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Project Name	SED Code	Total Authorized Budget	Prior Years Expenses	Current Year Expenses	Transfers to General	Total	Unexpended Balance	General Fund Transfers	Capital Reserve	Fund Balance	Debt	State Sources	Other Financing Sources	Total	Balance June 30, 2022
2019-20 Fiscal Year Projects															
Phase V - Playground	0-002-015	343,378		21,929		21,929	321,449		343,378					343,378	321,449
Phase V - Playground	0-003-016	395,888		21,929		21,929	373,959		395,888					395,888	373,959
Phase V - Playground	0-0004-016	331,516		21,929		21,929	309,587		331,516					331,516	309,587
Phase V - Playground	0-0006-020	351,966		21,929		21,929	330,037		351,966					351,966	330,037
Phase V - Playground	0-0007-022	465,893		21,929		21,929	443,964		465,893					465,893	443,964
Phase V - Playground	0-0013-016	334,112		21,929		21,929	312,183		334,112					334,112	312,183
Phase V - Playground	0-0016-016	330,124		21,929		21,929	308,195		330,124					330,124	308,195
Phase V - Playground	0-0017-013	371,761		21,929		21,929	349,832		371,761					371,761	349,832
Phase V - Playground	0-0019-018	375,362		21,929		21,929	353,433		375,362					375,362	353,433
Phase Vb - Birchwood Gym Floor	0-002-016	59,930		51,249		51,249	8,681		59,930					59,930	8,681
Phase Vb - NHS Renovation	0-0010-025	3,328,414		-		-	3,328,414		3,328,414					3,328,414	3,328,414
Phase Vb - FFMS renovation	0-0012-034	765,259		-		-	765,259		765,259					765,259	765,259
Phase Vb - SHS Renovation	0-0018-028	456,389		-		-	456,389		456,389					456,389	456,389
Total 2019-20 Fiscal Year Projects		7,909,992	-	248,608	-	248,608	7,661,384	-	7,909,992	-	-	-	-	7,909,992	7,661,384
SHS Façade Emergency Project 2022	0-0018-027	200,000		146,658	53,342	200,000	-	200,000						200,000	-
FFMS Emergency Sewer Project	NA	150,000		-	-	-	150,000	150,000						150,000	150,000
		350,000	-	146,658	53,342	200,000	150,000	350,000	-	-	-	-	-	350,000	150,000
Smart Schools Bond															
Smart Schools Bond Project	7-999-009	2,806,902	2,776,286			2,776,286	30,616					1,823,882		1,823,882	(952,404) *
Lease agreements		1,323,514		1,323,514		1,323,514	-						1,323,514	1,323,514	-
Total All Projects		\$ 22,958,800	\$ 11,823,357	\$ 1,668,992	\$ 601,013	\$ 14,093,362	\$ 8,863,775	\$ 4,038,615	\$ 14,788,106	\$ -	\$ -	\$ 1,823,882	\$ 1,323,514	\$ 21,974,117	\$ 7,880,755

*Deficit fund balance will be eliminated once funding from New York State Smart Schools Bond Act is obtained.

**CLARKSTOWN CENTRAL SCHOOL DISTRICT
OTHER SUPPLEMENTARY INFORMATION
NET INVESTMENT IN CAPITAL ASSETS
JUNE 30, 2022**

Capital assets, net		\$ 95,764,433
Intangible lease assets, net		2,753,877
Add: Unamortized deferred charges on refundings		37,476
Deduct:		
Short-term portion of bonds payable (inclusive of unamortized premiums)	\$ (5,925,042)	
Long-term portion of bonds payable (inclusive of unamortized premiums)	(31,703,498)	
Short-term portion of installment purchase debt	(1,601,512)	
Short-term portion of lease liability	(1,183,989)	
Long-term portion of lease liability	<u>(1,630,748)</u>	<u>(42,044,789)</u>
Net investment in capital assets		<u><u>\$ 56,510,997</u></u>



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

To the Board of Education
Clarkstown Central School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the fiduciary fund of the Clarkstown Central School District (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 24, 2022.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 were not identified.

Report on Compliance and Other Matters

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

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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.

R. S. Abrams & Co., LLP

R.S. Abrams & Co., LLP
Islandia, New York
October 24, 2022