

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED  
JUNE 30, 2022  
INCLUDING REPORTS ON FEDERAL AWARDS  
AND EXTRACLASSROOM ACTIVITY FUNDS

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
JUNE 30, 2022  
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## INDEPENDENT AUDITOR'S REPORT

To the President and Members  
of the Board of Education of  
Croton-Harmon Union Free School District  
Croton-on-Hudson, New York

### **Report on the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the fiduciary fund information of the Croton-Harmon Union Free School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Croton-Harmon Union Free School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the fiduciary fund information of the Croton-Harmon Union Free School District, as of June 30, 2022, 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 Croton-Harmon Union Free School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***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 Croton-Harmon Union Free School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information on pages 4–15 and 66–70 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 Croton-Harmon Union Free School District's basic financial statements. The supplemental schedules on pages 71-73 are required by the New York State Education Department and are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 supplemental schedules on pages 71-73 and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2022 on our consideration of the Croton-Harmon Union Free School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Croton-Harmon Union Free School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Croton-Harmon Union Free School District's internal control over financial reporting and compliance.



Montgomery, New York  
September 27, 2022

## CROTON-HARMON UNION FREE SCHOOL DISTRICT

### **Management Discussion and Analysis**

#### **Introductory Section**

The following is a discussion and analysis of Croton-Harmon Union Free School District's financial performance for the fiscal year ended June 30, 2022. The section is a summary of the Croton-Harmon Union Free School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the district-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

#### **Financial Highlights**

Key financial highlights for the fiscal year ended June 30, 2022 are as follows:

- Over the past several years, voters in the Croton-Harmon School District have overwhelmingly supported the District's budget, and have also approved several propositions authorizing the District to allocate funds to various reserves to reduce the financial strain on the District's future Operating Budgets. In May 2022, a \$2M Transportation Capital Reserve and a \$100K Repair Reserve were proposed to voters; both propositions were established and well supported by the voters.
- The District's Fund Balance, as reflected in the fund financial statements, was \$21,664,227 on June 30, 2022. This balance represents a \$601,997 increase (2.86%) from the prior year due to an excess of revenue and other financing uses over expenses and other financing sources, using the current financial resources measurement focus and the modified accrual basis of accounting, as follows:
  - Restricted Fund Balance increased by \$600,253 due to the use of reserves, offset by the funding of and interest allocated to the reserves.
  - Assigned Fund Balance decreased by \$74,135 (2.51%) from \$2,950,864 to \$2,876,729 as the District decreased the Fund Balance appropriated to fund the 2022-23 budget.
  - Unassigned Fund Balance increased by \$75,879 to \$2,106,883. The amount of Unassigned Fund Balance that can be retained by the General Fund is limited to no more than 4% of the ensuing year's budget. As stated above, the Unassigned Fund Balance of the General Fund was \$2.1 million of 4%, and therefore within the statutory limit.
- The district is a member of the Putnam Northern Westchester Schools Cooperative Worker's Compensation Self-Insurance Plan. This is a closely monitored, self-insured plan comprised of BOCES and over 15 local districts. Compared to market premium values, it is estimated that the district has saved over \$969,879 since the inception of the program. In 2020-2021 the board designated \$2,000,000 in reserve for member districts. For CHUFSD, our reserve portion is equivalent to approximately \$45,000 in reserves that can be used at any future time to offset our premiums.
- The District's 2021-22 property tax levy (inclusive of STAR) of \$41,827,807 was a 1.43% increase over the 2020-21 tax levy and under the maximum 2% tax cap allowed by State law.
- On May 18, 2021, the proposed 2021-2022 budget in the amount of \$52,672,111 was approved by the District's voters. This is a 3.73% increase in budgeted expenditures over the prior year.
- The District's actual expenditures and encumbrances were less than the revised budgeted expenditures by \$2,375,050 representing a 4.6% variance.
- As a result of the District's agreement and governmental customer status with New York Power Authority, each year a savings is realized, as compared to the cost of power through Con Edison.

## CROTON-HARMON UNION FREE SCHOOL DISTRICT

### **Management Discussion and Analysis (Continued)**

- Due to the creation and continuation of the Flexible Support Program at the secondary level, the district was able to meet the needs of more students in-house rather than incurring the cost of expensive out-of-district programs. This program saves both tuition costs and transportation expenses in addition to meeting student's individual needs.
- Utility costs for fuel oil and natural gas to heat our buildings, as well as diesel fuel and gasoline for the buses, remained lower than budgeted. This is primarily due to properly planned and executed maintenance schedules that ensure equipment longevity, reliability, safety, and energy efficiency in our buildings.
- The district continues to train in-house custodial and maintenance personnel for specialized work to avoid expensive repairs and maintenance incurred when outside contractors are hired. Our custodial, maintenance and grounds crews have taken over much of the work that was previously outsourced.
- Our administrative and instructional staff continue to provide staff development for the faculty thus reducing the district's need to hire consultants.
- The district belongs to the Putnam-Northern Westchester Health Insurance Consortium, which helps to contain the costs of health insurance premiums. In 2018-19 year, *The Plan* added an additional tier structure to further contain costs while maintaining quality health care services.
- The Transportation Department belongs to a consortium of school districts formed to share statistical information regarding bus runs. This partnership has resulted in districts collaborating with neighboring districts to consolidate bus runs and reduce the cost of out-of-district transportation.
- The district participates in a cooperative bid with other school districts to purchase diesel fuel. This enables us to combine the purchasing power of all members, to receive volume and competitive pricing from larger, reputable vendors.
- The district was able to save considerable funds by negotiating our most recent Collective Bargaining Agreement without employing outside legal counsel.

### **Other Highlights**

- In alignment with the District's Sustainability goals, in late 2021 we secured financing and began construction on our voter-approved Energy Performance Contract (EPC). The \$3.425M in district-wide improvements will be funded entirely by savings generated by energy-efficient upgrades to our buildings. The work to-date has already begun generating energy savings to the district which will be especially beneficial to the district as we face record-high energy costs in 2022-23. Further, our estimated savings are expected to exceed original projections of \$1,000,00 over the life of the project due to current energy pricing. Equally important is the elimination of an estimated 1,100 tons of carbon dioxide (CO<sub>2</sub>) every year.
- Further prioritization in the area of sustainability occurred this year as Croton-Harmon Union Free School District was one of the first districts in New York to receive a \$120,000 grant through the New York State Energy Research and Development Authority (NYSERDA) for the purchase of our first 66-passenger electric school bus. Arrival of the vehicle is expected in September 2022.

## CROTON-HARMON UNION FREE SCHOOL DISTRICT

### **Management Discussion and Analysis (Continued)**

#### **Overview of the Financial Statements**

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

- The first two statements are *district-wide* financial statements that provide both *short-term* and *long-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the district-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
- *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *trustee* or *custodian* for the benefit of others.

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

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

**CROTON-HARMON UNION FREE SCHOOL DISTRICT**  
**Management Discussion and Analysis**  
**(Continued)**

Major Features of the District-Wide and Fund Financial Statements			
	Fund Financial Statements		
	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the District administers resources on behalf of someone else
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Fiduciary Net Position</li> <li>• Statement of Changes in Fiduciary Net Position</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities and deferred inflows of resources, both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities are 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/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

**District-Wide Financial Statements**

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two district-wide statements report the District's net position and how they have changed. Net assets, the difference between the District's assets and liabilities, is one way to measure the District's financial health or position.

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

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

## CROTON-HARMON UNION FREE SCHOOL DISTRICT

### **Management Discussion and Analysis (Continued)**

#### **Fund Financial Statements**

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

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

The District has two kinds of funds:

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

#### **Financial Analysis of the District as a Whole**

For the year ended June 30, 2022, net position increased by \$4,353,169. The District's net position at June 30, 2022 is \$30,085,928. The following table provides a summary of the District's net position:

	School District Activities		
	June 30, 2022	June 30, 2021	% Change
Current Assets	\$ 26,683,446	\$ 26,003,806	2.61%
Non-Current Assets	89,843,257	67,264,219	33.57%
Total Assets	116,526,703	93,268,025	24.94%
Deferred Outflows of Resources	19,736,488	16,200,102	21.83%
Current Liabilities	5,298,808	6,444,815	-17.78%
Long-Term Liabilities	72,125,949	70,336,890	2.54%
Total Liabilities	77,424,757	76,781,705	0.84%
Deferred Inflows of Resources	28,752,506	6,953,663	313.49%
Net Position:			
Net Investment in Capital Assets	48,816,623	46,264,898	5.52%
Restricted	25,195,676	20,509,459	22.85%
Unrestricted	(43,926,371)	(41,041,598)	-7.03%
Total Net Position	\$ 30,085,928	\$ 25,732,759	16.92%

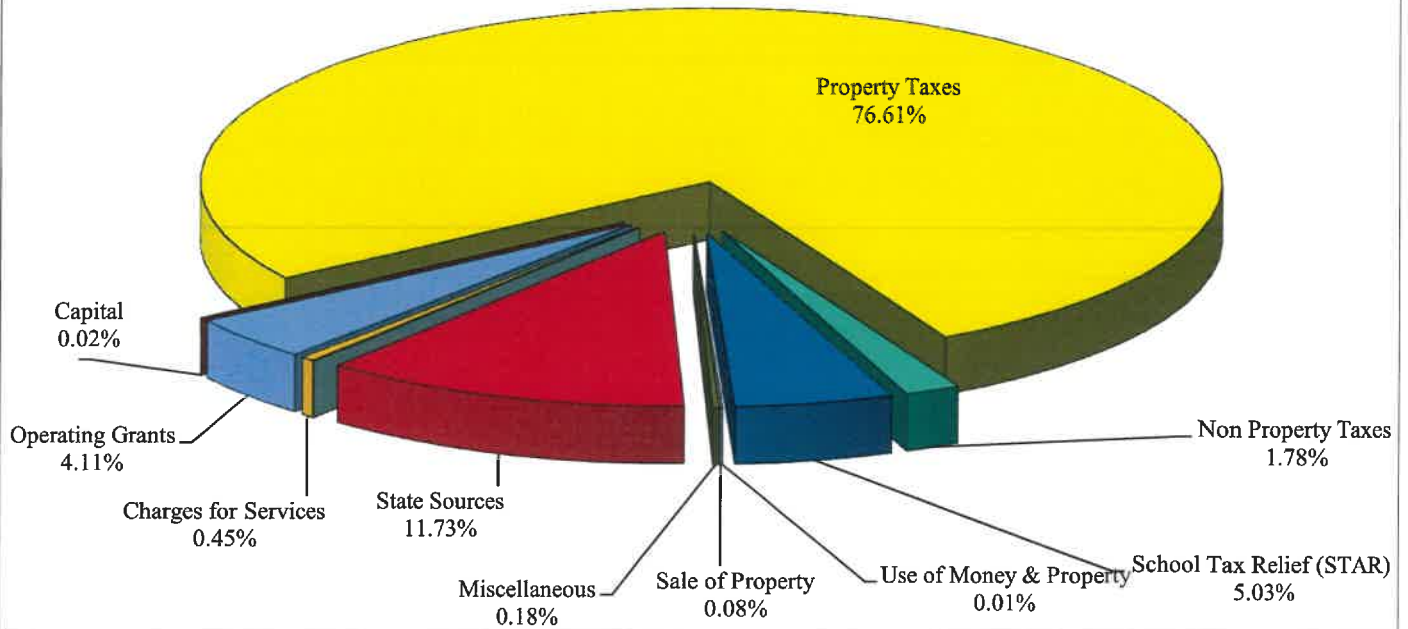
The following table and supporting graphs provide a summary of revenues, expenses and changes in net position for the year ended June 30, 2022:

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
STATEMENT OF ACTIVITIES  
SUMMARY OF CHANGES IN NET POSITION

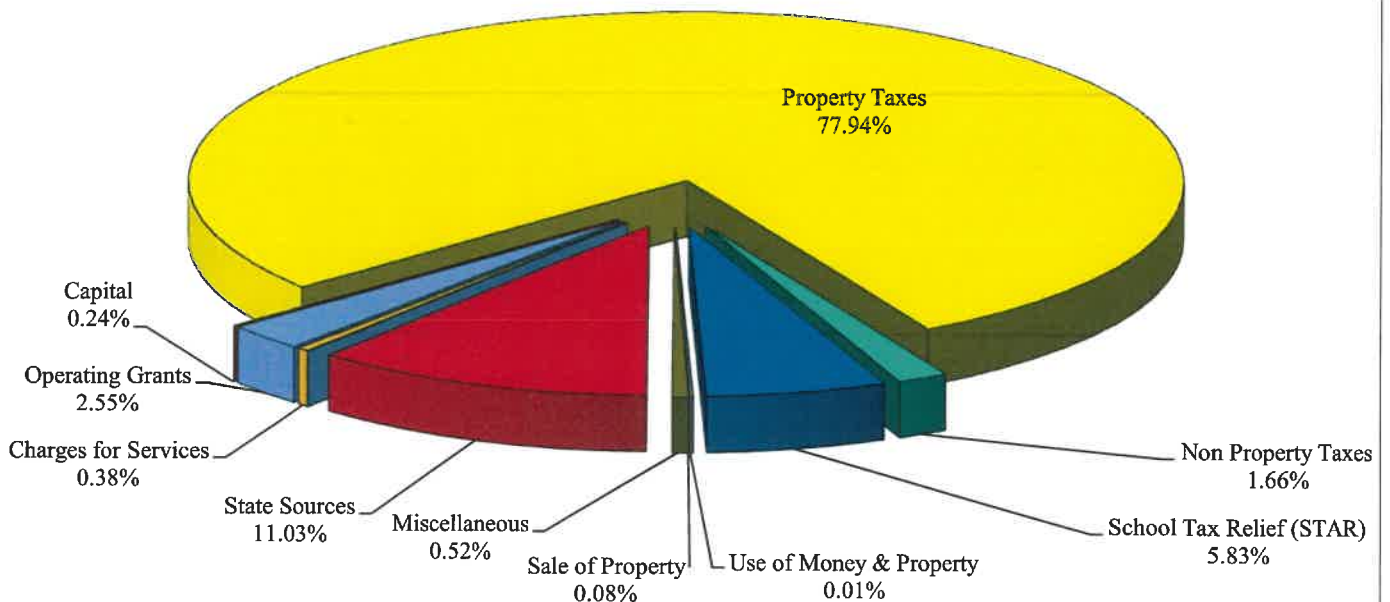
	<u>JUNE 30, 2022</u>	<u>%</u>	<u>JUNE 30, 2021</u>	<u>%</u>	<u>\$ Change</u>	<u>%</u>
<u>REVENUES</u>						
PROGRAM REVENUES:						
Charges for Services	\$ 227,398	0.45%	\$ 184,211	0.38%	\$ 43,187	23.44%
Operating Grants	2,087,659	4.11%	1,249,241	2.55%	838,418	67.11%
Capital Grants and Contributions	11,492	0.02%	117,131	0.24%	(105,639)	N/A
GENERAL REVENUES:						
Property Taxes	38,876,985	76.61%	37,994,753	77.94%	882,232	2.32%
Non Property Taxes	905,065	1.78%	810,397	1.66%	94,668	11.68%
School Tax Relief (STAR)	2,550,820	5.03%	2,849,499	5.83%	(298,679)	-10.48%
Use of Money & Property	3,959	0.01%	7,268	0.01%	(3,309)	-45.53%
Sale of Property	39,151	0.08%	39,680	0.08%	(529)	-1.33%
Miscellaneous	93,388	0.18%	254,182	0.52%	(160,794)	-63.26%
State Sources	5,949,984	11.73%	5,392,842	11.03%	557,142	10.33%
TOTAL REVENUES	<u>50,745,901</u>	<u>100.00%</u>	<u>48,899,204</u>	<u>100.24%</u>	<u>1,846,697</u>	<u>3.78%</u>
<u>EXPENSES</u>						
General Support	8,118,322	17.50%	9,778,088	18.11%	(1,659,766)	-16.97%
Instruction	33,374,593	71.94%	39,519,999	73.20%	(6,145,406)	-15.55%
Pupil Transportation	3,402,136	7.33%	3,478,844	6.44%	(76,708)	-2.20%
Debt Service Interest	565,303	1.22%	630,060	1.17%	(64,757)	-10.28%
School Lunch Program	932,378	2.01%	580,900	1.08%	351,478	60.51%
TOTAL EXPENSES	<u>46,392,732</u>	<u>100.00%</u>	<u>53,987,891</u>	<u>100.00%</u>	<u>(7,595,159)</u>	<u>-14.07%</u>
CHANGE IN NET POSITION	<u>\$ 4,353,169</u>		<u>\$ (5,088,687)</u>		<u>\$ 9,441,856</u>	<u>-185.55%</u>

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK

**SOURCES OF REVENUES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

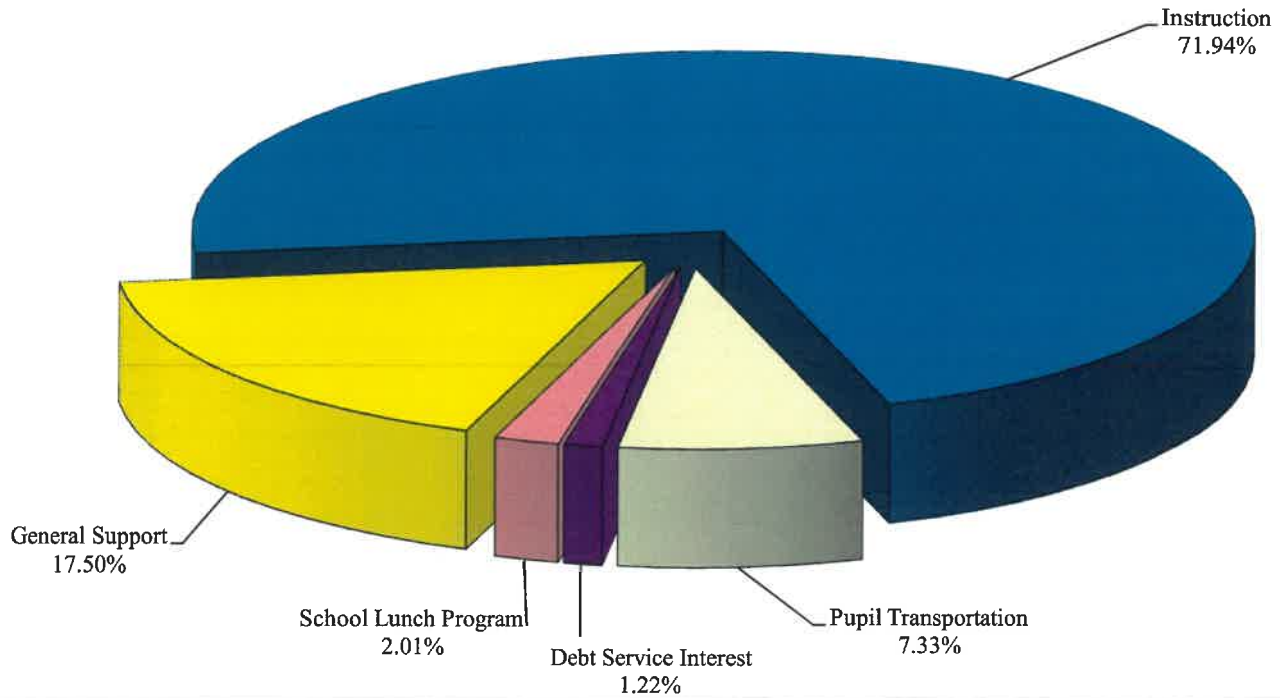


**SOURCES OF REVENUES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

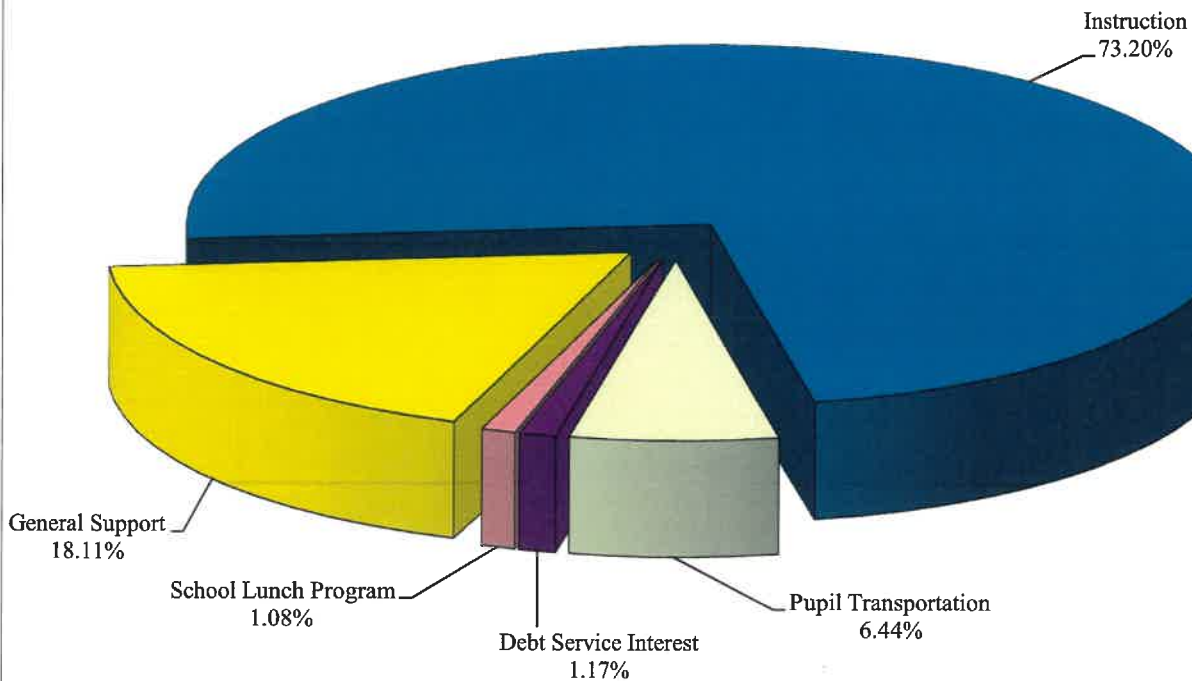


CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK

**EXPENSES FOR THE FISCAL YEAR ENDED JUNE 30, 2022**



**EXPENSES FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

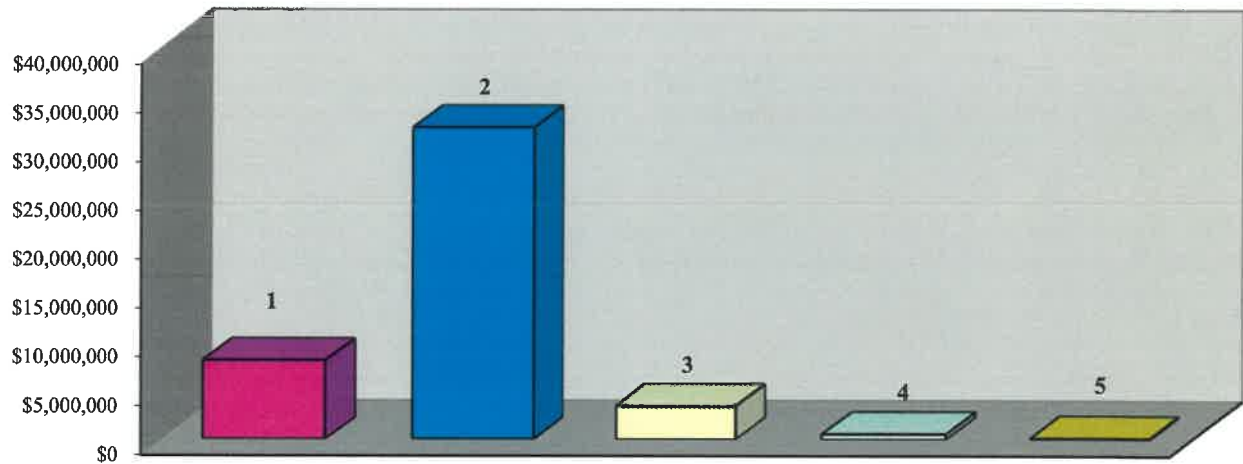


CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
STATEMENT OF ACTIVITIES  
NET COSTS

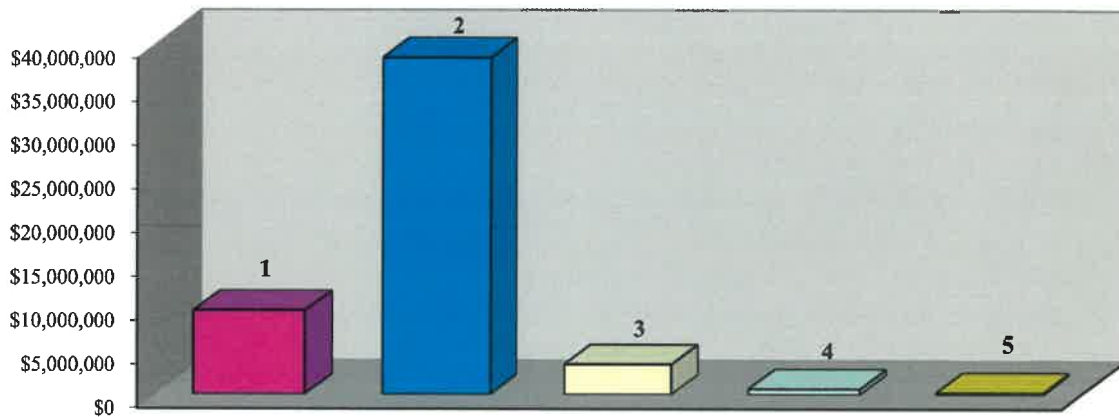
The following information is provided to disclose the net cost of governmental activities:

		TOTAL COST OF SERVICES 2021-2022	NET COST OF SERVICES 2021-2022	TOTAL COST OF SERVICES 2020-2021	NET COST OF SERVICES 2020-2021
General Support	1	\$ 8,118,322	\$ 8,070,912	\$ 9,778,088	\$ 9,641,452
Instruction	2	33,374,593	31,902,154	39,519,999	38,484,116
Pupil Transportation	3	3,402,136	3,402,136	3,478,844	3,462,654
Debt Service - Interest	4	565,303	553,811	630,060	628,102
School Lunch Program	5	932,378	137,170	580,900	220,984
		<u>\$ 46,392,732</u>	<u>\$ 44,066,183</u>	<u>\$ 53,987,891</u>	<u>\$ 52,437,308</u>

**NET COSTS 2021-2022**



**NET COSTS 2020-2021**



CROTON-HARMON UNION FREE SCHOOL DISTRICT

**Management Discussion and Analysis  
(Continued)**

**Financial Analysis of the District's Funds**

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

	June 30, 2022				
	Nonspendable	Restricted	Assigned	Unassigned	Total
General	\$ 0	\$ 16,680,615	\$ 2,876,729	\$ 2,106,883	\$ 21,664,227
Special Aid	0	70,838	0	0	70,838
School Lunch	6,252	23,612	0	0	29,864
Miscellaneous Special Revenue	0	174,616	0	0	174,616
Capital Projects	0	0	0	(564,772)	(564,772)
Debt Service	0	100,996	0	0	100,996
Total	<u>\$ 6,252</u>	<u>\$ 17,050,677</u>	<u>\$ 2,876,729</u>	<u>\$ 1,542,111</u>	<u>\$ 21,475,769</u>

	June 30, 2021				
	Nonspendable	Restricted	Assigned	Unassigned	Total
General	\$ 0	\$ 16,080,362	\$ 2,950,864	\$ 2,031,004	\$ 21,062,230
Special Aid	0	70,838	0	0	70,838
School Lunch	7,860	0	0	(38,361)	(30,501)
Miscellaneous Special Revenue	0	168,160	0	0	168,160
Capital Projects	0	0	0	(1,472,323)	(1,472,323)
Debt Service	0	100,860	0	0	100,860
Total	<u>\$ 7,860</u>	<u>\$ 16,420,220</u>	<u>\$ 2,950,864</u>	<u>\$ 520,320</u>	<u>\$ 19,899,264</u>

General Fund Budgetary Highlights

The original budget for the General Fund was revised by \$209,571 during the year. The supplemental appropriations consisted of appropriations of \$51,300 from the Employee Benefit Accrued Liability Reserve for Retirement Benefits, \$25,921 from the Tax Certiorari Reserve, Capital Reserve of \$7,350, and the School Lunch Fund transfer of \$125,000.

In the General Fund for the fiscal year ended June 30, 2022, actual revenues were more than revised budgeted revenues by \$697,799 (1.45%). Actual expenditures and encumbrances were less than the revised budgeted expenditures by \$2,375,050 (4.64%). Once again, the District kept fiscal restraints on purchases.

For fiscal year 2022-2023, the District has appropriated \$2,187,146 of fund balance to reduce the tax levy.

## CROTON-HARMON UNION FREE SCHOOL DISTRICT

### **Management Discussion and Analysis (Continued)**

#### General Fund Budgetary Highlights (Continued)

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

- Variances between estimated revenues and amounts actually received from New York State Aid
- The tax levy cap legislation
- Low interest rates being paid on District investments
- High costs of employee benefits such as health insurance, workers' compensation insurance, teachers' and employees' retirement
- The uncertainty in costs of utilities – electric, gasoline, diesel fuel and heating oil

The New York State Legislature enacted legislation, Chapter 97 of the Laws of 2011 that establishes a “property tax cap” on the amount that a school district’s property tax levy can increase each year. This legislation specifies that property taxes levied by a school district generally cannot increase by more than two percent, or the rate of inflation, whichever is less. The law does allow school districts to levy an additional amount for certain excludable expenditures. School districts can adopt a tax levy that exceeds the statutory limit, if the budget that is presented to the public is approved by sixty percent of the votes cast.

Management believes that the budget adopted for 2022-2023 is reasonably adaptable to any adverse changes that may arise based on the above factors.

#### Other Fund Highlights

The Special Aid Fund ended the year with a fund balance of \$70,838. These funds will be appropriated in subsequent years to offset necessary transfers from the General Fund.

The School Lunch Program Fund ended the year with a fund balance of \$29,864. Revenues exceeded expenditures by \$60,365.

The Miscellaneous Special Revenue Fund ended the year with a fund balance of \$174,616. Expenditures exceeded revenues by \$6,456.

The Capital Projects Fund ended the year with a fund balance deficit of \$564,772.

Debt Service Fund ended the year with a fund balance of \$100,996. This fund balance will be appropriated in future years to offset principal and interest payments.

#### Capital Asset and Debt Administration

##### Capital Assets

The District’s investment in capital assets, net of accumulated depreciation as of June 30, 2022, was \$69,265,862. The total change in this net investment was an increase of 2.98% for the District as a whole (see schedule below). The District’s investment in capital assets, net of accumulated depreciation as of June 30, 2021 was \$67,264,219. The District expended \$4,130,776 to acquire and construct capital assets during the fiscal year ended June 30, 2022 and depreciation expense for the fiscal year was \$2,126,752.

CROTON-HARMON UNION FREE SCHOOL DISTRICT

**Management Discussion and Analysis  
(Continued)**

Capital Assets (Continued)

CAPITAL ASSETS  
Net of Accumulated Depreciation

	<u>School District Activities</u>		
	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>% Change</u>
<u>Non-Depreciable Assets:</u>			
Land	\$ 810,100	\$ 810,100	0.00%
Construction in Progress	21,394,928	20,929,463	2.22%
<u>Depreciable Assets:</u>			
Land Improvements	227,738	261,748	-12.99%
Building and Improvements	44,917,804	43,182,075	4.02%
Furniture and Equipment	951,045	876,983	8.45%
Vehicles	964,247	1,203,850	-19.90%
TOTALS	<u>\$ 69,265,862</u>	<u>\$ 67,264,219</u>	2.98%

Long-Term Debt

At the end of the fiscal year, the District had total long-term debt outstanding of \$16,405,719. This amount is backed by the full faith and credit of the Croton-Harmon Union Free School District with debt service fully funded by voter approved property taxes. Activity in bonded debt outstanding during the fiscal year was as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Paid</u>	<u>Ending Balance</u>
Energy Performance Contract	\$ 1,517,312	\$ 0	\$ 286,593	\$ 1,230,719
Energy Performance Contract	0	3,425,000	0	3,425,000
Serial Bond - 2020	13,885,000	0	2,135,000	11,750,000
Total Bonded Debt Outstanding	<u>\$ 15,402,312</u>	<u>\$ 3,425,000</u>	<u>\$ 2,421,593</u>	<u>\$ 16,405,719</u>

Bond Ratings

Moody's Investors Service ("Moody's") has assigned a rating of "Aa2" to outstanding uninsured bonds of the District. This rating reflects only the view of such rating agency and an explanation of the significance of such rating should be obtained from Moody's Investors Service. There can be no assurance that such rating will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any change or withdrawal of such rating may have an adverse effect on the market price of the Notes or the availability of a secondary market for the Notes.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Denise Harrington-Cohen, Assistant Superintendent for Business, at the District's business offices at 10 Gerstein Street, Croton-on-Hudson, New York 10520.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
STATEMENT OF NET POSITION  
GOVERNMENTAL ACTIVITIES  
JUNE 30, 2022

ASSETS

Unrestricted Cash	\$ 8,687,145
Restricted Cash	16,956,918
State & Federal Aid Receivable	664,545
Due from Other Governments	346,143
Other Receivables, Net	22,443
Inventories	6,252
Non Depreciable Capital Assets	22,205,028
Capital Assets, Net	47,060,834
Net Pension Asset - Proportionate Share	20,577,395
TOTAL ASSETS	<u>116,526,703</u>

DEFERRED OUTFLOWS OF RESOURCES

Other Postemployment Benefits	5,719,884
Pension	14,016,604
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>19,736,488</u>

LIABILITIES

Accounts Payable	901,605
Accrued Liabilities	237,653
Due to Other Governments	939
Due to Teachers' Retirement System	2,012,418
Due to Employees' Retirement System	207,084
Deferred Revenues	186,373
Other Liabilities	40,266
Bond Anticipation Notes	1,712,470
Long-term Liabilities:	
Due and Payable Within One Year:	
Bonds Payable (Including unamortized bond premiums of \$180,468)	2,425,468
Installment Purchase Debt	479,165
Due and Payable In More Than One Year:	
Bonds Payable (Including unamortized bond premium of \$2,150,582)	11,655,582
Installment Purchase Debt	4,176,554
Compensated Absences	535,588
Other Postemployment Benefits	52,853,592
TOTAL LIABILITIES	<u>77,424,757</u>

DEFERRED INFLOWS OF RESOURCES

Other Postemployment Benefits	2,303,506
Pension	26,449,000
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>28,752,506</u>

NET POSITION

Net Investment in Capital Assets	48,816,623
Restricted	25,195,676
Unrestricted	<u>(43,926,371)</u>
TOTAL NET POSITION	<u>\$ 30,085,928</u>

See notes to financial statement.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
STATEMENT OF ACTIVITIES  
GOVERNMENTAL ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022

FUNCTIONS & PROGRAMS	(EXPENSES)	PROGRAM REVENUES			NET (EXPENSE) REVENUE & CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS	CAPITAL GRANTS AND CONTRIBUTIONS	
General Support	\$ (8,118,322)	\$ 33,101	\$ 14,309	\$ 0	\$ (8,070,912)
Instruction	(33,374,593)	98,582	1,373,857	0	(31,902,154)
Pupil Transportation	(3,402,136)	0	0	0	(3,402,136)
Debt Service - Interest	(565,303)	0	0	11,492	(553,811)
School Lunch Program	(932,378)	95,715	699,493	0	(137,170)
<b>TOTAL FUNCTIONS &amp; PROGRAMS</b>	<b>\$ (46,392,732)</b>	<b>\$ 227,398</b>	<b>\$ 2,087,659</b>	<b>\$ 11,492</b>	<b>(44,066,183)</b>
<u>GENERAL REVENUES</u>					
Real Property Taxes					38,876,985
Other Tax Items					2,550,820
Non Property Taxes					905,065
Use of Money & Property					3,959
Sale of Property & Compensation for Loss					39,151
Miscellaneous					93,388
State Sources					5,949,984
<b>TOTAL GENERAL REVENUES</b>					<b>48,419,352</b>
<b>CHANGE IN NET POSITION</b>					<b>4,353,169</b>
<b>NET POSITION, BEGINNING OF YEAR</b>					<b>25,732,759</b>
<b>NET POSITION, END OF YEAR</b>					<b>\$ 30,085,928</b>

See notes to financial statement.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2022

	GENERAL	SPECIAL AID	SCHOOL LUNCH	MISCELLANEOUS SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>							
Unrestricted Cash	\$ 7,539,345	\$ 0	\$ 0	\$ 0	\$ 1,147,800	\$ 0	\$ 8,687,145
Restricted Cash	16,680,615	0	0	175,410	0	100,893	16,956,918
State & Federal Aid Receivable	110,714	342,337	211,494	0	0	0	664,545
Due from Other Governments	346,143	0	0	0	0	0	346,143
Due from Other Funds	245,337	0	0	0	7,350	103	252,790
Other Receivables, Net	22,030	413	0	0	0	0	22,443
Inventories	0	0	6,252	0	0	0	6,252
<b>TOTAL ASSETS</b>	<b>\$ 24,944,184</b>	<b>\$ 342,750</b>	<b>\$ 217,746</b>	<b>\$ 175,410</b>	<b>\$ 1,155,150</b>	<b>\$ 100,996</b>	<b>\$ 26,936,236</b>
<b>LIABILITIES &amp; FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts Payable	\$ 801,261	\$ 31,105	\$ 61,890	\$ 0	\$ 7,349	\$ 0	\$ 901,605
Accrued Liabilities	141,819	4,703	0	0	0	0	146,522
Due to Other Governments	0	0	145	794	0	0	939
Due to Other Funds	7,350	173,749	71,588	0	103	0	252,790
Due to Teachers' Retirement System	2,012,418	0	0	0	0	0	2,012,418
Due to Employees' Retirement System	207,084	0	0	0	0	0	207,084
Deferred Revenues	69,759	62,355	54,259	0	0	0	186,373
Other Liabilities	40,266	0	0	0	0	0	40,266
Bond Anticipation Notes	0	0	0	0	1,712,470	0	1,712,470
<b>TOTAL LIABILITIES</b>	<b>3,279,957</b>	<b>271,912</b>	<b>187,882</b>	<b>794</b>	<b>1,719,922</b>	<b>0</b>	<b>5,460,467</b>
<b>FUND BALANCES (DEFICITS)</b>							
Nonspendable	0	0	6,252	0	0	0	6,252
Restricted	16,680,615	70,838	23,612	174,616	0	100,996	17,050,677
Assigned	2,876,729	0	0	0	0	0	2,876,729
Unassigned	2,106,883	0	0	0	(564,772)	0	1,542,111
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>21,664,227</b>	<b>70,838</b>	<b>29,864</b>	<b>174,616</b>	<b>(564,772)</b>	<b>100,996</b>	<b>21,475,769</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCES (DEFICITS)</b>	<b>\$ 24,944,184</b>	<b>\$ 342,750</b>	<b>\$ 217,746</b>	<b>\$ 175,410</b>	<b>\$ 1,155,150</b>	<b>\$ 100,996</b>	<b>\$ 26,936,236</b>

See notes to financial statement.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION  
JUNE 30, 2022

	TOTAL GOVERNMENTAL FUNDS	LONG-TERM ASSETS & LIABILITIES	RECLASSIFICATIONS & ELIMINATIONS	STATEMENT OF NET POSITION
<b>ASSETS</b>				
Unrestricted Cash	\$ 8,687,145	\$ 0	0	\$ 8,687,145
Restricted Cash	16,956,918	0	0	16,956,918
State & Federal Aid Receivable	664,545	0	0	664,545
Due from Other Governments	346,143	0	0	346,143
Due from Other Funds	252,790	0	-(252,790)	0
Other Receivables, Net	22,443	0	0	22,443
Inventories	6,252	0	0	6,252
Non Depreciable Capital Assets	0	22,205,028	0	22,205,028
Capital Assets, Net	0	47,060,834	0	47,060,834
Net Pension Asset - Proportionate Share	0	20,577,395	0	20,577,395
<b>TOTAL ASSETS</b>	<b>26,936,236</b>	<b>89,843,257</b>	<b>(252,790)</b>	<b>116,526,703</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Other Postemployment Benefits	0	5,719,884	0	5,719,884
Pension	0	14,016,604	0	14,016,604
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>0</b>	<b>19,736,488</b>	<b>0</b>	<b>19,736,488</b>
<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 26,936,236</b>	<b>\$ 109,579,745</b>	<b>\$ (252,790)</b>	<b>\$ 136,263,191</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 901,605	\$ 0	0	\$ 901,605
Accrued Liabilities	146,522	91,131	0	237,653
Due to Other Governments	939	0	0	939
Due to Other Funds	252,790	0	-(252,790)	0
Due to Teachers' Retirement System	2,012,418	0	0	2,012,418
Due to Employees' Retirement System	207,084	0	0	207,084
Deferred Revenues	186,373	0	0	186,373
Other Liabilities	40,266	0	0	40,266
Bond Anticipation Notes	1,712,470	0	0	1,712,470
Bonds Payable	0	14,081,050	0	14,081,050
Installment Purchase Debt	0	4,655,719	0	4,655,719
Compensated Absences	0	535,588	0	535,588
Other Postemployment Benefits	0	52,853,592	0	52,853,592
<b>TOTAL LIABILITIES</b>	<b>5,460,467</b>	<b>72,217,080</b>	<b>(252,790)</b>	<b>77,424,757</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Other Postemployment Benefits	0	2,303,506	0	2,303,506
Pension	0	26,449,000	0	26,449,000
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>0</b>	<b>28,752,506</b>	<b>0</b>	<b>28,752,506</b>
<b>TOTAL LIABILITIES &amp; DEFERRED INFLOWS OF RESOURCES</b>	<b>5,460,467</b>	<b>100,969,586</b>	<b>(252,790)</b>	<b>106,177,263</b>
<b>FUND BALANCES / NET POSITION</b>	<b>21,475,769</b>	<b>8,610,159</b>	<b>0</b>	<b>30,085,928</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCES / NET POSITION</b>	<b>\$ 26,936,236</b>	<b>\$ 109,579,745</b>	<b>\$ (252,790)</b>	<b>\$ 136,263,191</b>

See notes to financial statement.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022

	GENERAL	SPECIAL AID	SCHOOL LUNCH	MISCELLANEOUS SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
<u>REVENUES</u>							
Real Property Taxes	\$ 38,876,985	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 38,876,985
Other Tax Items	2,550,820	0	0	0	0	0	2,550,820
Non Property Taxes	905,065	0	0	0	0	0	905,065
Charges for Services	98,582	0	0	0	0	0	98,582
Use of Money & Property	62,695	0	0	30	0	136	62,861
Sale of Property & Compensation for Loss	39,151	0	0	0	0	0	39,151
Miscellaneous	103,274	34,718	9	83,561	0	0	221,562
State Sources	6,087,768	202,401	10,793	0	0	0	6,300,962
Federal Sources	16,558	888,949	688,691	0	0	0	1,594,198
Sales	0	0	95,715	0	0	0	95,715
TOTAL REVENUES	48,740,898	1,126,068	795,208	83,591	0	136	50,745,901
<u>EXPENDITURES</u>							
General Support	6,689,012	0	0	0	0	0	6,689,012
Instruction	25,269,537	1,129,292	0	77,135	0	0	26,475,964
Pupil Transportation	2,564,286	34,850	0	0	0	0	2,599,136
Employee Benefits	8,866,983	12,526	0	0	0	0	8,879,509
Debt Service:							
Principal	3,794,609	0	0	0	0	0	3,794,609
Interest	741,524	0	0	0	0	0	741,524
Cost of Sales	0	0	889,843	0	0	0	889,843
Capital Outlay	0	0	0	0	3,897,815	0	3,897,815
TOTAL EXPENDITURES	47,925,951	1,176,668	889,843	77,135	3,897,815	0	53,967,412
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	814,947	(50,600)	(94,635)	6,456	(3,897,815)	136	(3,221,511)
<u>OTHER SOURCES &amp; USES</u>							
Proceeds from Debt	0	0	0	0	3,425,000	0	3,425,000
Bond Anticipation Notes Paid from Current Appropriations	0	0	0	0	1,373,016	0	1,373,016
Operating Transfers In	0	50,600	155,000	0	7,350	0	212,950
Operating Transfers (Out)	(212,950)	0	0	0	0	0	(212,950)
TOTAL OTHER SOURCES & USES	(212,950)	50,600	155,000	0	4,805,366	0	4,798,016
EXCESS (DEFICIENCY) REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES	601,997	0	60,365	6,456	907,551	136	1,576,505
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	21,062,230	70,838	(30,501)	168,160	(1,472,323)	100,860	19,899,264
FUND BALANCES (DEFICITS), END OF YEAR	\$ 21,664,227	\$ 70,838	\$ 29,864	\$ 174,616	\$ (564,772)	\$ 100,996	\$ 21,475,769

See notes to financial statement.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022

	TOTAL GOVERNMENTAL FUNDS	LONG-TERM REVENUE & EXPENSES	CAPITAL RELATED ITEMS	LONG-TERM DEBT TRANSACTIONS	RECLASSIFICATIONS & ELIMINATIONS	STATEMENT OF ACTIVITIES
<b>REVENUES</b>						
Real Property Taxes	\$ 38,876,985	\$ 0	\$ 0	\$ 0	\$ 0	\$ 38,876,985
Other Tax Items	2,550,820	0	0	0	0	2,550,820
Non Property Taxes	905,065	0	0	0	0	905,065
Charges for Services	98,582	0	0	0	0	98,582
Use of Money & Property	62,861	0	0	0	0	62,861
Sale of Property & Compensation for Loss	39,151	0	0	0	0	39,151
Miscellaneous	221,562	0	0	0	0	221,562
State Sources	6,300,962	0	0	0	0	6,300,962
Federal Sources	1,594,198	0	0	0	0	1,594,198
Sales	95,715	0	0	0	0	95,715
<b>TOTAL REVENUES</b>	<b>50,745,901</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50,745,901</b>
<b>EXPENDITURES</b>						
General Support	6,689,012	(1,723)	21,268	0	1,409,765	8,118,322
Instruction	26,475,964	(5,169)	1,810,120	0	5,093,678	33,374,593
Pupil Transportation	2,599,136	0	255,210	0	547,790	3,402,136
Employee Benefits	8,879,509	(1,341,921)	0	0	(7,537,588)	0
Debt Service:						
Principal	3,794,609	0	0	(2,421,593)	(1,373,016)	0
Interest	741,524	4,252	0	(180,473)	0	565,303
Cost of Sales	889,843	0	42,535	0	0	932,378
Capital Outlay	3,897,815	(253,394)	(4,130,776)	0	486,355	0
<b>TOTAL EXPENDITURES</b>	<b>53,967,412</b>	<b>(1,597,955)</b>	<b>(2,001,643)</b>	<b>(2,602,066)</b>	<b>(1,373,016)</b>	<b>46,392,732</b>
<b>EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES</b>	<b>(3,221,511)</b>	<b>1,597,955</b>	<b>2,001,643</b>	<b>2,602,066</b>	<b>1,373,016</b>	<b>4,353,169</b>
<b>OTHER SOURCES &amp; USES</b>						
Proceeds from Debt	3,425,000	0	0	(3,425,000)	0	0
Bond Anticipation Notes Paid from Current Appropriations	1,373,016	0	0	0	(1,373,016)	0
Operating Transfers In	212,950	0	0	0	(212,950)	0
Operating Transfers (Out)	(212,950)	0	0	0	212,950	0
<b>TOTAL OTHER SOURCES &amp; USES</b>	<b>4,798,016</b>	<b>0</b>	<b>0</b>	<b>(3,425,000)</b>	<b>(1,373,016)</b>	<b>0</b>
<b>NET CHANGE FOR THE YEAR</b>	<b>\$ 1,576,505</b>	<b>\$ 1,597,955</b>	<b>\$ 2,001,643</b>	<b>\$ (822,934)</b>	<b>\$ 0</b>	<b>\$ 4,353,169</b>

See notes to financial statement.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022

	<u>CUSTODIAL FUND</u>
<u>ADDITIONS</u>	
Funds Received for the Library Tax Levy	\$ 895,664
<u>DEDUCTIONS</u>	
Funds Paid for the Library Tax Levy	<u>895,664</u>
CHANGE IN NET POSITION	0
NET POSITION, BEGINNING OF YEAR	<u>0</u>
NET POSITION, END OF YEAR	<u><u>\$ 0</u></u>

See notes to financial statement.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES.

The financial statements of the Croton-Harmon Union Free 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. Significant accounting principles and policies utilized by the District are described below:

A. Reporting Entity

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

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, The Financial Reporting Entity, as amended by GASB Statement 39, Component Units. 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, the following is a brief description of certain entities included in the District’s reporting entity.

1. Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds have been included in this report. The District accounts for assets held as an agent for various student organizations in the Miscellaneous Special Revenue Fund.

B. Joint Venture

The District is a component district in the Putnam/Northern Westchester 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.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

B. Joint Venture (Continued)

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

A BOCES' budget is comprised of separate budgets for administrative, program and capital costs. In the Putnam/Northern Westchester BOCES, each component district's share of administrative and capital cost may be determined by using the weighted average daily attendance for a certain percentage and the true valuation for a certain percentage, as defined in the New York State Education Law, §1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

During the year ended June 30, 2022, the Croton-Harmon Union Free School District was billed \$2,530,902 for BOCES administrative and program costs. The District's share of BOCES aid amounted to \$695,316. Financial statements for BOCES are available from the BOCES administrative office at 200 BOCES Drive, Yorktown Heights, New York 10598.

C. Basis of Presentation

1. District-Wide Statements

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

The Statement of Net Position presents the financial position of the District at fiscal year-end. 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 in 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.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

C. Basis of Presentation (Continued)

2. Funds Statements

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

The District reports the following major governmental funds:

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

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

Special Aid Fund: Used to account for proceeds received from State and federal grants that are restricted for specific educational programs.

School Lunch Fund: This fund is used to account for the school lunch operations. The school lunch operation is supported by federal and state grants and charges participants for its services.

Miscellaneous Special Revenue Fund: This fund is used to account for the Scholarship and Extraclassroom Activity Funds.

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

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

The District reports the following fiduciary funds:

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

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

D. Measurement Focus and Basis of Accounting

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

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

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

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

E. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1<sup>st</sup> and became a lien on August 9, 2021. Taxes were collected by the Town of Cortlandt and the Town of Yorktown during the period September 1, 2021 through March 31, 2022.

Uncollected real property taxes are subsequently enforced by Westchester County. The County pays an amount representing uncollected real property to the District no later than the following April 1.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

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 flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditure and revenues to provide financing or other services.

In the district-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the fiduciary funds.

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

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

H. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities 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 encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

I. Cash and Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

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

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

I. Cash and Investments (Continued)

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 United States and its agencies and obligations of the State and its municipalities and Districts.

Investments are stated at fair value.

J. Accounts Receivable

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

K. Inventories and Prepaid Items

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

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

L. Other Assets/Restricted Assets

Certain proceeds from serial bonds and bond anticipation notes, as well as resources set aside for their repayment are classified as restricted assets in the district-wide financial statements and their use is limited by applicable bond covenants

M. Capital Assets

Capital assets are reported at cost for acquisitions. For assets acquired prior to June 30, 2002, estimated historical costs based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received.

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

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

M. Capital Assets (Continued)

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land Improvements	\$ 10,000	Straight Line	50 years
Buildings and Improvements	10,000	Straight Line	50 years
Furniture and Equipment	10,000	Straight Line	5 - 20 years
Vehicles	10,000	Straight Line	5 - 20 years

N. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category. The District reports deferred outflows of resources related to pensions. For additional information on deferred outflows related to pensions, see Note 8. The second deferred outflow is related to other postemployment benefits reported in the Statement of Net Position. For additional information on these deferred outflows related to other postemployment benefits, see Note 10.

In addition to liabilities, the District will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide financial statements. For additional information on deferred inflows related to pensions, see Note 8. The second deferred inflow is related to other postemployment benefits reported in the Statement of Net Position. For additional information on these deferred inflows related to other postemployment benefits, see Note 10.

O. Unearned Revenue

Unearned revenues are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when the District receives resources before it has legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for deferred revenues is removed and revenues are recorded.

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

Unearned revenues recorded in governmental funds are typically adjusted prior to inclusion in the District-wide statements.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

P. Vested Employee Benefits

1. Compensated Absences

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

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

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 in varying time periods.

Consistent with GASB Statement 16, Accounting for Compensated Absences, the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the district-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

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

2. Other Benefits

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

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provisions of various employment contracts in effect at the time of retirement.

Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and most of the retired employees. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

Q. Short-Term Debt

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

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

Q. Short-Term Debt (Continued)

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 the second fiscal year succeeding the year in which the note was issued.

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

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

R. Accrued Liabilities and Long-Term Obligations

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

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

S. Equity Classifications

1. District-wide Statements

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

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

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

S. Equity Classifications (Continued)

1. District-wide Statements (Continued)

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

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

2. Funds Statements

In the governmental fund statements, there are five classifications of fund balance:

Nonspendable: Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted: Constraints have been imposed on the use of these amounts either (a) externally by creditors, grantors, contributors or laws or regulations of other governments; or (b) by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General fund are classified as restricted fund balances. The District has established the following reserves that have been included in restricted fund balance:

Capital Reserve

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

Unemployment Insurance Reserve

Unemployment Insurance Reserve (GML §6-m) is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the 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.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

S. Equity Classifications (Continued)

2. Funds Statements (Continued)

Reserve for Debt Service

Mandatory Reserve for Debt Service (GML §6-l) is used to establish a reserve for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of District property or capital improvement. The reserve is accounted for in the Debt Service Fund.

Property Loss Reserve and Liability Reserve

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

Tax Certiorari Reserve

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

Employee Benefit Accrued Liability Reserve

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

Retirement Contribution Reserve

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

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

S. Equity Classifications (Continued)

2. Funds Statements (Continued)

Teachers Retirement Contribution Reserve

According to amendments to General Municipal Law §6-r, this reserve must be used to finance retirement contributions to the New York State Teachers Retirement System ("TRS") and/or offset all or some of the amount deducted from the moneys apportioned to the District from the state under Education Law § 521. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. This reserve is accounted for in the General Fund. The amount of moneys contributed annually to the TRS sub-fund cannot exceed 2% of the total compensation or salaries of all teachers employed by the district who are members of TRS paid during the immediately preceding fiscal year. Nor can the balance of the sub-fund exceed 10% of the total compensation or salaries of all teachers employed by the district who are members of TRS paid during the immediately preceding fiscal year.

Workers' Compensation Reserve

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

Repair Reserve

Repair Reserve (GML §6-d) is used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education without voter approval may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. This reserve is accounted for in the General Fund.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

S. Equity Classifications (Continued)

2. Funds Statements (Continued)

Restricted fund balance at June 30, 2022 consisted of:

General Fund:

Capital Reserves	\$ 9,388,711
Repair Reserve	100,006
Unemployment Insurance Reserve	197,327
Property Loss Reserve and Liability Reserve	931,238
Tax Certiorari Reserve	2,393,887
Employee Benefit Accrued Liability Reserve	536,431
Retirement Contribution Reserve	1,448,082
Teachers Retirement Contribution Reserve	1,146,956
Workers' Compensation Reserve	<u>537,977</u>
	16,680,615
Special Aid Fund	70,838
Miscellaneous Special Revenue Fund	174,616
Debt Service Fund	<u>100,996</u>
Total Restricted Fund Balance	<u>\$ 17,050,677</u>

Committed: Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Education. The District did not classify any of its fund balances as committed as of June 30, 2022.

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

Unassigned: Includes fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, negative unassigned fund balance is reported.

Order of Use of Fund Balance:

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District considers that committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

S. Equity Classifications (Continued)

2. Funds Statements (Continued)

Limitation on Unexpended Surplus Funds:

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

T. New Accounting Standards

GASB has issued Statement 87, *Leases*, which will increase the usefulness of government's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were not classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use and underlying asset. Under, this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The District has implemented Statement 87 as required.

GASB has issued Statement 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which will improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities. The District has implemented Statement 89 as required.

GASB has issued Statement 92, *Omnibus 2020*, which will enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics. The District has implemented Statement 92 as required.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, which will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. The District has implemented Statement 97 as required.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

U. Future Changes in Accounting Standards

GASB has issued Statement 91, *Conduit Debt Obligations*, which will provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2023 financial statements.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which will improve financial reporting by establishing the definitions of public-public partnership arrangements (PPPs) and availability payment arrangements (APAs) and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2023 financial statements.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which will improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2023 financial statements.

GASB has issued Statement 98, *The Annual Comprehensive Financial Report*, this Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2023 financial statements.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

U. Future Changes in Accounting Standards (Continued)

GASB has issued Statement 99, *Omnibus 2022*, the objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2023 and/or 2024 financial statements, as applicable.

GASB has issued Statement 100, *Accounting Changes and Error Corrections-An Amendment of GASB Statement No. 62*, the primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2024 financial statements.

GASB has issued Statement 101, *Compensated Absences*, the objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The District is currently studying the Statement and plans to adopt it when required, which will be for the June 30, 2025 financial statements.

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS.

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

A. Total Fund 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. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets.

1. The costs of building and acquiring capital assets (land, buildings and 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, with their original costs capitalized and depreciation expensed annually over their useful lives. The balances at June 30, 2022 were as follows:

Original Cost of Capital Assets	\$ 100,530,482
Accumulated Depreciation	<u>(31,264,620)</u>
	<u>\$ 69,265,862</u>

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS. (Continued)

A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities:(Continued)

2. In the Statement of Net Position, a liability is recognized for the District's proportionate share of the net pension liability attributable to each defined benefit pension plan in which the District participates. A net pension liability is measured as the proportionate share of the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service (proportionate share of total pension liability), net of the proportionate share of that pension plan's fiduciary net position. If a pension plan's fiduciary net position exceeds its total pension liability, the District's proportionate share of the pension plan's net pension asset is recognized. Also, deferred outflows and inflows of resources related to pensions primarily result from contributions subsequent to the measurement date, as well as changes in the components of the net pension liability or asset. However, none of these amounts are included on the Balance Sheet as they are only recognized to the extent the pension liability is normally expected to be liquidated with expendable available financial resources. These balances at June 30, 2022 were as follows:

Net Pension Asset - Proportionate Share	\$ (20,577,395)
Deferred Outflows of Resources - Pensions	(14,016,604)
Deferred Inflows of Resources - Pensions	26,449,000
	<u>\$ (8,144,999)</u>

3. Interest is accrued in the Statement of Net Position, regardless of when it is due. This liability does not appear on the Balance Sheet because interest is expended when it is due, and thus requires the use of current financial resources. This liability at June 30, 2022 was as follows:

Accrued Interest	<u>\$ 91,131</u>
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4. Long-term liabilities and related deferred inflows and outflows are reported in the Statement of Net Position, but not in the Balance Sheet, because the liabilities are not due and payable in the current period. The balances at June 30, 2022 were as follows:

Bonds Payable	\$ 11,750,000
Premium On Bonds Payable	2,331,050
Installment Purchase Debt	4,655,719
Compensated Absences	535,588
Deferred Outflows of Resources - OPEB	(5,719,884)
Other Postemployment Benefits	52,853,592
Deferred Inflows of Resources - OPEB	2,303,506
	<u>\$ 68,709,571</u>

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS. (Continued)

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

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

1. Long-Term Revenue Differences

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

2. Capital Related Differences

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

3. Long-Term Debt Transaction Differences

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

4. Pension Plan Transaction Differences

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

5. Other Post Employment Benefits (OPEB) Related Differences

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

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS. (Continued)

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

Explanation of Differences between Governmental Funds Operating Statement  
and the Statement of Activities

Total Revenues and Other Funding Sources

Total revenues (Schedule 5)	\$ 50,745,901
Differences	0
Total revenues (Schedule 2)	<u>\$ 50,745,901</u>

Total Expenditures & Other Uses/Expenses

Total expenditures reported in governmental funds (Schedule 5)	\$ 53,967,412
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When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation.

This is the amount by which capital expenditures of \$4,130,776 were more than depreciation of \$2,126,752 and the remaining basis on disposed assets of \$2,381 in the current year. (2,001,643)

In the Statement of Activities, certain operating expenses (compensated absences and special termination benefits) are measured by the amounts earned during the year.

In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount actually paid). The amount by which compensated absences paid exceeded the amount earned during the year was \$6,892. (6,892)

In the Statement of Activities, the expense for other postemployment benefits (OPEB) includes changes in the OPEB liability such as service cost, interest cost and changes in benefit terms, as well as amortization of deferred outflows of resources and deferred inflows of resources related to OPEB. In the governmental funds, however, OPEB expenditures are measured by the amount of financial resources used (essentially the amounts actually paid). This is the amount by which OPEB expenses in the Statement of Activities exceeded the amount of financial resources used during the year. 2,713,839

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS. (Continued)

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

Explanation of Differences between Governmental Funds Operating Statement and the Statement of Activities(Continued)

Total Expenditures & Other Uses/Expenses (Continued)

Interest payable is recognized as an accrued liability in the entity wide statements under full accrual accounting whereas it is not in the governmental fund statements. This is the amount by which interest payable was more than the prior year.	4,252
Retainage payable is recognized as a liability in the entity wide statements under full accrual accounting whereas it is not in the governmental fund statements. This is the amount by which retainage payable was less than the prior year.	(253,394)
In the Statement of Activities pension expense related to the ERS and TRS defined benefit pension plans is measured as the change in the District's proportionate shares of the net pension assets and liabilities as of the measurement dates for each plan. In the governmental funds, however; these expenditures are recognized equal to the total of (1) amounts paid by the employer to the pension plan and (2) the change between the beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources. This is the amount by which financial resources expended exceeded the amount of pension expense during the year.	(4,055,760)
Premiums and discounts on long-term debt issuances, bond issuance costs and deferred amounts from debt refundings are recognized in the fiscal year in which the transactions occur in the governmental fund statements. These amounts are amortized in the Statement of Activities. This is the amount that was amortized during the fiscal year.	(180,473)
Repayment of bond and other debt principal is an expenditure in the governmental fund but reduces liabilities in the Statement of Net Position, and does not affect the Statement of Activities.	<u>(3,794,609)</u>
Total expenses in the Statement of Activities (Schedule 2)	<u><u>\$ 46,392,732</u></u>

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 3. STEWARDSHIP AND COMPLIANCE.

A. Budgets

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

- The voters of the 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) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. Supplemental appropriations made during the current fiscal year are shown in Supplemental Schedule #5. Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year. The General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2022.

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 restrictions or assignments of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

C. Other Stewardship and Compliance Matters

The District was in compliance with all legal and contractual provisions for the fiscal year.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 4. CASH - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE, FOREIGN CURRENCY RISKS AND INVESTMENT POOL.

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

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

Uncollateralized	\$ 0.
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	\$ 25,680,952

Restricted cash 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 as of year-end includes \$16,956,918 within the governmental funds.

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.

The District participates in a multi-municipal cooperative investment pool agreements pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

Total investments of the NYClass cooperative as of year-end are \$4,221,756,185, which consisted of \$1,151,932,926 in repurchase agreements, \$2,138,028,618 in U.S. Treasury Bills, \$90,053,060 in U. S. Treasury Securities and \$841,741,581 in collateralized bank deposits all with various interest rate and due dates.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 5. CAPITAL ASSETS.

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

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 810,100	\$ 0	\$ 0	\$ 810,100
Construction in Progress	20,929,463	465,465	0	21,394,928
Total Nondepreciable Assets	21,739,563	465,465	0	22,205,028
Capital assets that are depreciated:				
Land Improvements	1,269,092	10,000	0	1,279,092
Buildings and Improvements	68,731,077	3,432,350	0	72,163,427
Furniture & Equipment	1,788,296	222,961	0	2,011,257
Vehicles	3,342,854	0	(471,176)	2,871,678
Total Depreciable Assets	75,131,319	3,665,311	(471,176)	78,325,454
Less: Accumulated Depreciation	(29,606,663)	(2,126,752)	468,795	(31,264,620)
Capital Assets, Net	\$ 67,264,219	\$ 2,004,024	\$ (2,381)	\$ 69,265,862

Depreciation expense was charged to governmental functions as follows:

General Support	\$ 21,268
Instruction	1,807,739
Transportation	255,210
Cost of Sales	42,535
Total Depreciation	\$ 2,126,752

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 6. SHORT-TERM DEBT.

Transactions in short-term debt for the year ended June 30, 2022 are summarized below:

	Beginning Balance	Issued	Paid/ Redeemed	June 30, 2022 Ending Balance
BAN maturing 10/14/22 at 0.35%	\$ 775,486	\$ 0	\$ 263,016	\$ 512,470
BAN maturing 8/19/22 at 0.31%	2,310,000	0	1,110,000	1,200,000
Total Short-Term Debt	<u>\$ 3,085,486</u>	<u>\$ 0</u>	<u>\$ 1,373,016</u>	<u>\$ 1,712,470</u>

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

Interest Paid	\$ 34,303
Less: Interest Accrued in the Prior Year	(28,710)
Plus: Interest Accrued in the Current Year	<u>4,489</u>
Interest Expense	<u>\$ 10,082</u>

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 7. LONG-TERM LIABILITIES

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

	Beginning Balance	Issued	Paid/ Redeemed	June 30, 2022 Ending Balance	Amounts Due Within One Year
<b>Governmental Activities:</b>					
<b>Bonds and Notes Payable</b>					
Bonds Payable	\$ 13,885,000	\$ 0	\$ 2,135,000	\$ 11,750,000	\$ 2,245,000
Premium on Bonds Payable	2,511,518	0	180,468	2,331,050	180,468
Installment Purchase Debt	1,517,312	3,425,000	286,593	4,655,719	479,165
Total Bonds and Notes Payable	17,913,830	3,425,000	2,602,061	18,736,769	2,904,633
<b>Other Liabilities:</b>					
Compensated Absences	542,480	0	6,892	535,588	0
Other Postemployment Benefits	48,855,002	5,218,770	1,220,180	52,853,592	0
Net Pension Liability - Proportionate Share	3,025,573	0	3,025,573	0	0
Total Other Liabilities	52,423,055	5,218,770	4,252,645	53,389,180	0
Total Long-Term Liabilities	\$ 70,336,885	\$ 8,643,770	\$ 6,854,706	\$ 72,125,949	\$ 2,904,633

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

Existing serial bond and installment purchase obligations are as follows:

Description of Issue	Issue Date	Final Maturity	Interest Rate	June 30, 2022 Balance
Energy Performance Contract	12/21/10	05/15/26	2.84%	1,230,719
Energy Performance Contract	10/29/21	10/29/36	1.65%	3,425,000
Serial Bond - 2020	06/01/20	06/01/34	2% - 4%	11,750,000
				<u>\$ 16,405,719</u>

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 7. LONG-TERM LIABILITIES. (Continued)

The following is a summary of maturing debt service requirements

For the Year Ended June 30,	Bonds and Notes Payable	
	Principal	Interest
2023	\$ 2,724,165	\$ 676,669
2024	2,774,388	524,196
2025	2,461,643	399,190
2026	2,234,206	290,127
2027	1,902,094	195,075
2028 - 2032	2,838,196	350,703
2033 - 2036	1,471,027	57,636
TOTAL	<u>\$ 16,405,719</u>	<u>\$ 2,493,596</u>

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

Interest paid	\$ 707,221
Less: Interest accrued in the prior year	(58,169)
Plus: Interest accrued in the current year	86,642
Less: Amortization of premiums, deferred amounts on bond refunding and issuance costs.	<u>(180,468)</u>
Total interest expense	<u>\$ 555,226</u>

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 8. PENSION PLANS.

Employees' Retirement System Plan Description

The District participates in the New York State and Local Employees' Retirement System (ERS). ERS and the New York State and Local Police and Fire Retirement System (PFRS) are collectively referred to as New York State and Local Retirement System (the ERS System). These are cost-sharing multiple-employer defined benefit retirement systems. The net position of the ERS System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in fiduciary net position allocated to the ERS System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November, 2018, he was elected for a new term commencing January 1, 2019. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. Separately issued financial statements for the System can be accessed on the Comptroller's website at [www.osc.state.ny.us/retire/about\\_us/financial\\_statements\\_index.php](http://www.osc.state.ny.us/retire/about_us/financial_statements_index.php).

Teachers' Retirement System Plan Description

The New York State Teachers Retirement System (the TRS System) was created and exists pursuant to Article 11 of the New York State Education Law. The System is the administrator of a cost-sharing, multiple-employer public employee retirement system (PERS), administered by a 10-member Board to provide pension and ancillary benefits to teachers employed by participating employers in the State of New York, excluding New York City. For additional Plan information please refer to the NYSTRS Comprehensive Annual Financial Report which can be found on the System's website located at [www.nystrs.org](http://www.nystrs.org).

ERS Benefits Provided

The ERS System provides retirement benefits as well as death and disability benefits.

*Tiers 1 and 2*

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 8. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

*Tiers 1 and 2 (Continued)*

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2% of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20% of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20% of the average of the previous two years.

*Tiers 3, 4, and 5*

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2% of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5% of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with 10 or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 3, 4 and 5 members, each year of final average salary is limited to no more than 10% greater than the average of the previous two years.

*Tier 6*

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members and 62 for PFRS members.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 8. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

*Tier 6 (Continued)*

Benefit Calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75% of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2% of final average salary is applied for each year of service over 20 years. Tier 6 members with 10 or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10% of the average of the previous four years.

*Special Plans*

The 25-Year Plans allow a retirement after 25 years of service with a benefit of one-half of final average salary, and the 20-Year Plans allow a retirement after 20 years of service with a benefit of one-half of final average salary. These plans are available to certain PFRS members, sheriffs, and correction officers.

*Disability Retirement Benefits*

Disability retirement benefits are available to ERS and PFRS members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits. Eligibility, benefit amounts, and other rules such as any offsets or other benefits depend on a members tier, years of service, and plan.

*Ordinary Death Benefits*

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 8. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

*Post-Retirement Benefit Increases*

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for 10 years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50% of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or exceed 3 percent.

TRS Benefits Provided

The benefits provided to members of the TRS System are established by New York State and may be amended only by the Legislature with the Governor's approval. Benefit provisions vary depending on date of membership and are subdivided into the following six classes:

*Tier 1*

Members who last joined prior to July 1, 1973 are covered by the provisions of Article 11 of the Education Law.

*Tier 2*

Members who last joined on or after July 1, 1973 and prior to July 27, 1976 are covered by the provisions of Article 11 of the Education Law and Article 11 of the Retirement and Social Security Law (RSSL).

*Tier 3*

Members who last joined on or after July 27, 1976 and prior to September 1, 1983 are covered by the provisions of Article 14 and Article 15 of the RSSL.

*Tier 4*

Members who last joined on or after September 1, 1983 and prior to January 1, 2010 are covered by the provisions of Article 15 of the RSSL.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 8. PENSION PLANS. (Continued)

TRS Benefits Provided (Continued)

*Tier 5*

Members who joined on or after January 1, 2010 and prior to April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

*Tier 6*

Members who joined on or after April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

*Service Retirements*

Tier 1 and 2 members are generally eligible for a service retirement benefit of 2.0% per year of credited service times final average salary (FAS). A 5% reduction generally applies for each full year of state service under 20 years (prorated for partial years with a maximum reduction of 50%). Tier 1 and 2 members may retire as early as age 55 with five or more years of state service credit. Retirement may also occur for Tier 1 members at age 55 with less than five years of service if two years are credited since July 1, 1967, after the current membership date, and since the member turned age 53.

Generally, the maximum pension payable to Tier 1 and 2 members (with two years of credit under the Article 19 Benefit Enhancement law) is 79% of FAS. An age factor applies to Tier 2 members who retire before age 62 with less than 30 years of service. There is no age factor for Tier 1 members.

Tier 3 and 4 members are generally eligible for a service retirement benefit of 1.67% per year of credited service times FAS for less than 20 years of service, 2.0% per year for 20 to 30 years of service, and 60% of FAS plus 1.5% per year for service beyond 30 years. Tier 3 and 4 members may retire as early as age 55 with five years of state service credit. An age factor applies for Tier 3 and 4 members who retire before age 62 with less than 30 years of service.

Tier 5 members are generally eligible for a service retirement benefit of 1.67% per year of credited service times FAS for less than 25 years of service, 2.0% per year for 25 to 30 years of service, and 60% of FAS plus 1.5% per year for service beyond 30 years. Tier 5 members may retire as early as age 55 with 10 years of state service credit. An age factor applies to Tier 5 members who retire before age 57 or retire between age 57 and 62 with less than 30 years of service.

Tier 6 members are generally eligible for a service retirement benefit of 1.67% per year of credited service times FAS for less than 20 years of service, 1.75% per year for 20 years of service, and 35% of FAS plus 2% per year for service beyond 20 years. Tier 6 members may retire as early as age 55 with 10 years of state service credit. An age factor applies for Tier 6 members who retire before age 63.

*Vested Benefits*

Retirement benefits for Tiers 1-4 are vested after five years of credited service while benefits for Tiers 5-6 are vested after 10 years of credited service. Benefits are payable at age 55 or greater with the limitations noted for service retirements above.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 8. PENSION PLANS. (Continued)

TRS Benefits Provided (Continued)

*Disability Retirement*

Members are eligible for disability retirement benefits after 10 years of credited New York State service, except for Tier 3 where disability retirement is permissible after five years of credited New York State service pursuant to the provisions of Article 14 of the RSSL. The Tier 3 benefit is integrated with Social Security.

*Death Benefits*

Death benefits are paid to the beneficiary of active members who die in service and certain retirees. For active members, the benefit is based on final salary, age and the number of years of credited service. For retired members, it is also based on the number of years in retirement.

*Prior and Military Service*

After two years of membership, members of all tiers may claim and receive credit for prior New York State public or teaching service. Only Tier 1 and 2 members may, under certain conditions, claim out-of-state service. Certain members may also claim military service credit prior to or interrupting membership.

*Tier Reinstatement*

In accordance with Chapter 640 of the Laws of 1998, any active member who had a prior membership may elect to be reinstated to their original date and tier of membership.

*Permanent Cost of Living Adjustment (COLA)*

Section 532-a of the Education Law provides a permanent cost-of-living benefit to both current and future retired members. This benefit will be paid commencing September of each year to retired members who have attained age 62 and have been retired for five years or attained age 55 and have been retired for 10 years. Disability retirees must have been retired for five years, regardless of age, to be eligible. The annual COLA percentage is equal to 50% of the increase in the consumer price index not to exceed 3.0% nor be lower than 1.0%. It is applied to the first \$18,000 of the annual benefit. The applicable percentage payable beginning September 2020 is 1.0%.

Members who retired prior to July 1, 1970 are eligible for a minimum benefit of \$17,500 for 35 years of credited full-time New York State service. Certain members who retire pursuant to the provisions of Article 14 of the RSSL are eligible for automatic cost-of-living supplementation based on the increase in the Consumer Price Index with a maximum per annum increase of 3.0%.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 8. PENSION PLANS. (Continued)

Contributions

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3 to 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law.

Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

<u>Year</u>	<u>NYSTRS</u>	<u>NYSERS</u>
2021 - 2022	\$ 1,841,608	\$ 880,514
2020 - 2021	1,796,590	893,600
2019 - 2020	1,626,563	794,911

ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57 and 105.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred 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 liability/ (asset) for each of the Systems. The net pension asset/ (liability) was 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. District's proportion of the net pension asset/ (liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	<u>ERS</u>	<u>TRS</u>
Actuarial Valuation Date	March 31, 2022	June 30, 2021
Net pension asset/(liability)	\$ 1,491,316	\$ 19,086,079
District's portion of the Plan's total net pension asset/(liability)	0.0182433%	0.110139%

At March 31, 2022, the District's proportion of the NYSERS net pension asset/ (liability) was an increase of 0.0001944% from its proportion measured as of March 31, 2021.

At June 30, 2021, the District's proportion of the NYSTRS net pension asset/ (liability) was a decrease of 0.001297%, from its proportion measured as of June 30, 2020.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 8. PENSION PLANS. (Continued)

For the year ended June 30, 2022, the District's recognized pension expense of \$128,898 for ERS and \$(1,122,900) for TRS. At June 30, 2022 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions for the following sources:

	Deferred Outflows of Resources		
	ERS	TRS	Total
Differences between expected and actual experience	\$ 112,939	\$ 2,630,814	\$ 2,743,753
Changes of Assumptions	2,488,839	6,277,810	8,766,649
Net difference between projected and actual earnings on pension plan investments	0	0	0
Changes in proportion and difference between the District's contributions and proportionate share of contributions	232,289	54,411	286,700
District's contributions subsequent to the measurement date	207,084	2,012,418	2,219,502
Total	<u>\$ 3,041,151</u>	<u>\$ 10,975,453</u>	<u>\$ 14,016,604</u>

	Deferred Inflows of Resources		
	ERS	TRS	Total
Differences between expected and actual experience	\$ 146,489	\$ 99,160	\$ 245,649
Changes of Assumptions	41,996	1,111,708	1,153,704
Net difference between projected and actual earnings on pension plan investments	4,883,434	19,975,557	24,858,991
Changes in proportion and difference between the District's contributions and proportionate share of contributions	55,895	134,761	190,656
District's contributions subsequent to the measurement date	0	0	0
Total	<u>\$ 5,127,814</u>	<u>\$ 21,321,186</u>	<u>\$ 26,449,000</u>

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 8. PENSION PLANS. (Continued)

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended:	ERS	TRS
2022	\$ 0	\$ 2,492,483
2023	317,547	2,911,187
2024	500,529	3,668,435
2025	1,236,432	4,813,727
2026	239,239	(897,485)
Thereafter	0	(630,197)

Actuarial Assumptions

The total pension 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 valuation used the following actuarial assumptions.

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement Date	March 31, 2022	June 30, 2021
Inflation Rate	2.7%	2.40%
Projected Salary Increases	4.4%	1.95% - 5.18% Rates of increase differ based on service. Calculations have been based upon recent NYSTRS member experience
Investment Rate of Return	5.90% compounded annually, net of investment expense including inflation	6.95% compounded annually, net of pension plan investment expense including inflation
Decrement Tables	April 1, 2015 - March 31, 2020 System's Experience	July 1, 2015 - June 30, 2020 System's Experience
Mortality Improvement	Society of Actuaries Scale MP-2020	Society of Actuaries Scale MP-2020

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 8. PENSION PLANS. (Continued)

Actuarial Assumptions (Continued)

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

The Long Term Expected Rates of Return are presented by asset allocation classification, which differs from the financial statement presentation. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the measurement date of June 30, 2021 for TRS and March 31, 2022 for ERS are summarized in the following table:

	ERS			TRS	
Measurement Date	March 31, 2022		Measurement Date	June 30, 2021	
	Target Allocation	Long-term expected real rate of return		Target Allocation	Long-term expected real rate of return
<u>Asset Class:</u>			<u>Asset Class:</u>		
Domestic Equity	32%	3.30%	Domestic Equities	33%	6.80%
International Equity	15%	5.85%	International Equities	16%	7.60%
Private Equity	10%	6.50%	Global Equities	4%	7.10%
Real Estate	9%	5.00%	Real Estate Equities	11%	6.50%
Opportunistic/ARS Portfolio	3%	4.10%	Private Equities	8%	10.00%
Credit	4%	3.78%	Domestic fixed income securities	16%	1.30%
Real Assets	3%	5.80%	Global Bonds	2%	0.80%
Fixed Income	23%	0.00%	High-Yield Bonds	1%	3.80%
Cash	1%	-1.00%	Private Debt	1%	5.90%
Total	100%		Real Estate Debt	7%	3.30%
			Cash Equivalents	1%	-0.20%
			Total	100%	

\*For TRS Real rates of return are net of long-term inflation assumption of 2.40% for 2021.

\*For ERS Real rates of return are net of long-term inflation assumption of 2.50% for 2022.

Discount Rate

The discount rate used to calculate the total pension 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 System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 8. PENSION PLANS. (Continued)

Actuarial Assumptions (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the District's proportionate share of the ERS and TRS net pension liability calculated using the discount rates referred to above, as well as what the District's proportionate share of the net pension asset / (liability) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate referred to above:

	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
<u>ERS</u>			
Employer's Proportionate Share of the Net Pension Asset/(Liability)	\$ (3,838,630)	\$ 1,491,316	\$ 5,949,558
	1% Decrease 5.95%	Current Assumption 6.95%	1% Increase 7.95%
<u>TRS</u>			
Employer's Proportionate Share of the Net Pension Asset/(Liability)	2,002,806	19,086,079	33,443,331

Pension plan fiduciary net position

The components of the current-year net pension liability of the employers as of the measurement dates indicated below were as follows:

	(Dollars in Thousands)	
	ERS	TRS
Measurement Date	March 31, 2022	June 30, 2021
Employers' total pension asset/(liability)	\$ (223,874,888)	\$ (130,819,415)
Plan net position	232,049,473	148,148,457
Employer's net pension asset/(liability)	<u>\$ 8,174,585</u>	<u>\$ 17,329,042</u>

Ratio of plan net position to the employers' total pension asset/(liability)	103.65%	113.2%
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Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Accrued retirement contributions as of June 30, 2022 represent the projected employer contributions for the period of April 1, through June 30, 2022 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2022 amounted to \$207,084.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 8. PENSION PLANS. (Continued)

Payables to the Pension Plan (Continued)

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 state aid intercept. Accrued retirement contributions as of June 30, 2022 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS system. Accrued retirement contributions as of June 30, 2022 amounted to \$2,012,418.

NOTE 9. INTERFUND BALANCES AND ACTIVITY.

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

	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 245,337	\$ 7,350	\$ 0	\$ 212,950
Special Aid Fund	0	173,749	50,600	0
School Lunch Fund	0	71,588	155,000	0
Capital Fund	7,350	103	7,350	0
Debt Service Fund	103	0	0	0
Total Governmental Activities	252,790	252,790	212,950	212,950
Fiduciary Agency Fund	0	0	0	0
Totals	<u>\$ 252,790</u>	<u>\$ 252,790</u>	<u>\$ 212,950</u>	<u>\$ 212,950</u>

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position. The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are expected to be repaid within one year.

The District typically transfers from the General Fund to the Special Aid Fund to fund the portion of the Summer Handicapped Program not funded by aid from New York State.

NOTE 10. POST-EMPLOYMENT BENEFITS.

General Information about the OPEB Plan

Plan Description – The District's defined benefit OPEB plan ("the District's OPEB plan"), provides OPEB for all permanent full-time general and public safety employees of the District. The District's OPEB plan is a single-employer defined benefit OPEB plan administered by the District.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 10. POST-EMPLOYMENT BENEFITS. (Continued)

Benefits Provided – The District’s OPEB plan provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. Minimum eligibility requirements for post-employment benefits are as follows:

- The retiree has attained age 55 years while in the employment of the District and meets the follow service requirements:
  - 10 years of full-time service for Administrative employees
  - 10 years of full-time service for Teachers
  - 8 years of full-time service for Civil Service employees
- The retiree is receiving retirement benefits from the NYS Employees’ Retirement System or the NYS Teachers’ Retirement System

The retiree is required to make a contribution towards the cost of coverage; contributions vary not only according to employment category (contract), but also depend on the number of accumulated sick days at retirement. The District reimburses Medicare Part B premiums for many current retirees who met the eligibility requirements at the time of retirement. In addition, the District will reimburse Medicare Part B premiums for some future retirees (depending on their hire date and other eligibility requirements). Reimbursement of Medicare Part B premiums has been discounted for most future retirees who were hired on or after July 1, 2005.

Employees Covered by Benefit Terms – At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	119
Active employees	<u>228</u>
 Total Employees Covered by Benefit Terms	 <u><u>347</u></u>

Total OPEB Liability

The District’s total OPEB liability of \$52,853,592 was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 10. POST-EMPLOYMENT BENEFITS. (Continued)

Actuarial Assumptions and Other Inputs – The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Projected Salary Increases	2.09%
Discount Rate	3.77%
Healthcare Cost Trend Rates	Pre-65: 7.00% for 2021, decreasing to an ultimate rate of 4.00% for 2027 and later years  Post-65: 7.00% for 2021, decreasing to an ultimate rate of 4.00% for 2027 and later years
Future Retirees' Share of Benefit Related Costs	Contributions vary by bargaining unit.

The discount rate was based on an average of three 20-year bond indices (e.g., Bond Buyer-20 Bond GO, S&P Municipal Bond 20 Year High Grade Rate Index, Fidelity GO AA 20 Years).

Mortality rates were based on the RP 2014 Healthy Male and Female Tables based on the Employee and Health Annuitant Tables for both pre & post retirement projected with mortality improvements using Projection Scale AA for 3.50 years (i.e. from the date of table to the valuation date), plus ten years additional mortality improvement.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2021 - June 30, 2022.

Changes in the Total OPEB Liability

Balance at June 30, 2021	<u>\$ 48,855,002</u>
<u>Changes for the Year:</u>	
Service cost	1,491,551
Interest	1,818,833
Changes in assumptions or other inputs	1,908,386
Benefit payments	<u>(1,220,180)</u>
Net Changes	<u>3,998,590</u>
Balance at June 30, 2022	<u>\$ 52,853,592</u>

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 10. POST-EMPLOYMENT BENEFITS. (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.77 percent) or 1 percentage point higher (4.77 percent) than the current discount rate:

	1% Decrease (2.77%)	Current Discount Rate (3.77%)	1% Increase (4.77%)
Total OPEB Liability	\$ 63,348,833	\$ 52,853,592	\$ 44,666,393

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	Trend Rate Less 1%	Current Health Care Cost Trend Rates	Trend Rate Plus 1%
Total OPEB Liability	\$ 43,684,296	\$ 52,853,592	\$ 65,071,570

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

For the year ended June 30, 2022, the District recognized OPEB expense of \$4,050,884. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 0
Changes of assumptions or other inputs	5,719,884	2,303,506
District's contributions subsequent to the measurement date	0	0
Total	<u>\$ 5,719,884</u>	<u>\$ 2,303,506</u>

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 10. POST-EMPLOYMENT BENEFITS. (Continued)

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

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

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 740,500
2024	740,500
2025	740,499
2026	(8,564)
2027	567,315
Thereafter	636,128

NOTE 11. RISK MANAGEMENT.

General Information

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

Pool, Non-Risk Retained

The District participates in Putnam/Northern Westchester Health Consortium, a non-risk-retained public entity risk pool for its employee health and accident insurance coverage. The pool is operated for the benefit of 14 individual governmental units located within the pool's geographic area, and is considered a self-sustaining risk pool that will provide coverage for its members. The District has essentially transferred all related risk to the pool.

Self-Insurance Plan

The District participates in the Putnam Northern Westchester School Cooperative Workers Compensation Self-Insurance Plan, a risk-sharing pool, to insure Workers' Compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law, to finance liability and risks related to Workers' Compensation claims. The total undiscounted liability for the Plan as of June 30, 2022, was \$22,806,508. For June 30, 2022, the plan had assets in excess of the liability.

Other Contingencies

The District has several claims that are currently being litigated with the support of legal counsel. The results of this litigation are unknown at this time.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 12. COMMITMENTS AND CONTINGENCIES.

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

NOTE 13. ENCUMBRANCES.

Encumbrances represent contracts, purchase orders, payroll commitments, tax payables, or legal penalties that are chargeable to an account. They cease to be encumbrances when paid or when the actual liability amount is determined and recorded as an expenditure. As discussed in Note 1, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At June 30, 2022 the amount of encumbrances expected to be honored upon performance by the vendor in the subsequent year were as follows:

General Fund	\$ 689,583
Total Encumbrances	<u>\$ 689,583</u>

NOTE 14. DONOR-RESTRICTED ENDOWMENTS.

The District administers endowment funds, which are restricted by the donor for the purpose of student scholarships and awards. The District authorizes expenditures from donor-restricted endowments in compliance with the wishes expressed by the donor, which varies among the unique endowments administered by the District. These funds are accounted for in the Miscellaneous Special Revenue Fund as follows:

Balance, Beginning of Year	\$ 66,512
Plus: Receipts	28,825
Less: Disbursements	<u>39,250</u>
Balance, End of Year	<u>\$ 56,088</u>

NOTE 15. SUBSEQUENT EVENTS.

The District has evaluated subsequent events through September 27, 2022, the date that the financial statements were available to be issued. No other significant subsequent events have been identified that would require adjustment of or disclosure in the accompanying financial statements.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS  
FOR THE YEAR ENDED JUNE 30, 2022

	06/30/22	06/30/21	06/30/20	06/30/19	06/30/18
<u>Total OPEB Liability</u>					
Service cost	\$ 1,491,551	\$ 1,643,302	\$ 1,426,151	\$ 570,808	\$ 492,015
Interest	1,818,833	924,513	1,039,906	1,413,909	1,460,333
Changes of benefit terms	0	0	0	0	0
Differences between expected and actual experience	0	0	0	0	0
Changes in assumptions or other inputs	1,908,386	2,486,898	(4,031,134)	5,243,433	0
Benefit payments	(1,220,180)	(869,571)	(830,621)	(1,058,230)	(1,050,330)
Net change in total OPEB liability	3,998,590	4,185,142	(2,395,698)	6,169,920	902,018
Total OPEB liability-beginning	48,855,002	44,669,860	47,065,558	40,895,638	39,993,620
Total OPEB liability-ending	\$ 52,853,592	\$ 48,855,002	\$ 44,669,860	\$ 47,065,558	\$ 40,895,638
Covered-employee payroll	\$ 21,636,185	\$ 21,752,300	\$ 21,752,300	\$ 21,627,861	\$ 21,627,861
Total OPEB liability as a percentage of covered-employee payroll	244.28%	224.60%	205.36%	217.62%	189.09%

Notes to Schedule:

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

\* GASB 75 requires that the past 10 years of information be presented. Due to the fact that this statement was implemented for the year ended June 30, 2018, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 75.

See paragraph on supplementary schedules included in auditor's report.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	REVISED BUDGET	CURRENT YEAR'S REVENUES	OVER (UNDER) REVISED BUDGET
<u>REVENUES</u>				
LOCAL SOURCES:				
Real Property Taxes	\$ 41,427,807	\$ 38,876,985	\$ 38,876,985	\$ 0
Other Tax Items	0	2,550,822	2,550,822	0
Non Property Taxes	400,000	400,000	905,063	505,063
Charges for Services	40,000	40,000	98,582	58,582
Use of Money & Property	17,000	17,000	62,695	45,695
Sale of Property & Compensation for Loss	14,000	14,000	39,151	25,151
Miscellaneous	46,000	46,000	103,274	57,274
STATE SOURCES	6,098,292	6,098,292	6,087,768	(10,524)
FEDERAL SOURCES	0	0	16,558	16,558
TOTAL REVENUES	48,043,099	48,043,099	\$ 48,740,898	\$ 697,799
APPROPRIATED FUND BALANCE	2,950,864	3,160,435		
TOTAL REVENUES & APPROPRIATED FUND BALANCE	\$ 50,993,963	\$ 51,203,534		

See paragraph on supplementary schedules included in auditor's report.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK

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

	ORIGINAL BUDGET	REVISED BUDGET	CURRENT YEAR'S EXPENDITURES	ENCUMBRANCES	UNENCUMBERED BALANCE
<b>EXPENDITURES</b>					
GENERAL SUPPORT:					
Board of Education	\$ 131,930	\$ 141,234	\$ 135,785	\$ 0	\$ 5,449
Central Administration	374,521	402,263	391,052	0	11,211
Finance	705,993	691,563	672,745	0	18,818
Staff	669,312	745,008	584,118	0	160,890
Central Services	4,535,908	5,011,710	4,297,600	225,883	488,227
Special Items	611,746	639,731	607,712	0	32,019
<b>INSTRUCTIONAL:</b>					
Instruction, Administration & Improvement	1,861,515	1,889,941	1,828,646	0	61,295
Teaching - Regular School	14,046,557	14,076,257	13,424,144	272,342	379,771
Programs for Children with Handicapping Conditions	6,050,216	6,041,440	5,823,368	0	218,072
Occupational Education	0	0	0	0	0
Teaching - Special Schools	1,768,124	1,731,812	1,492,679	137,730	101,403
Instructional Media	160,750	147,514	147,500	0	14
Pupil Services	2,768,022	2,848,157	2,553,200	53,108	241,849
<b>PUPIL TRANSPORTATION</b>	2,705,309	2,725,494	2,564,286	520	160,688
<b>EMPLOYEE BENEFITS</b>	9,922,925	9,297,925	8,866,983	0	430,942
<b>DEBT SERVICE:</b>					
Debt Service - Principal	3,829,609	3,829,609	3,794,609	0	35,000
Debt Service - Interest	741,526	741,526	741,524	0	2
<b>TOTAL EXPENDITURES</b>	<u>50,883,963</u>	<u>50,961,184</u>	<u>47,925,951</u>	<u>689,583</u>	<u>2,345,650</u>
<b>OTHER USES:</b>					
Operating Transfers Out	110,000	242,350	212,950	0	29,400
<b>TOTAL EXPENDITURES &amp; OTHER USES</b>	<u>\$ 50,993,963</u>	<u>\$ 51,203,534</u>	<u>48,138,901</u>	<u>\$ 689,583</u>	<u>\$ 2,375,050</u>
<b>EXCESS OF REVENUES &amp; OTHER SOURCES OVER EXPENDITURES &amp; OTHER USES</b>			<u>\$ 601,997</u>		

See paragraph on supplementary schedules included in auditor's report.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON NEW YORK  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
FOR THE YEAR ENDED JUNE 30, 2022

	NYSERS Pension Plan Last 10 Fiscal Years*									
	3/31/2022	3/31/2021	3/31/2020	3/31/2019	3/31/2018	3/31/2017	3/31/2016	3/31/2015	3/31/2014	3/31/2013
District's proportion of the net pension asset/(liability)	0.0182433%	0.0180489%	0.0187452%	0.0190977%	0.0191017%	0.0197352%	0.0189940%	0.0192853%	0.0192853%	0.0192853%
District's proportionate share of the net pension asset/(liability)	\$ 1,491,316	\$ (17,972)	\$ (4,963,849)	\$ (1,353,128)	\$ (616,497)	\$ (1,854,364)	\$ (3,048,584)	\$ (651,504)	\$ (871,475)	\$ (871,475)
District's covered-employee payroll	\$ 6,040,908	\$ 6,160,977	\$ 6,060,981	\$ 5,700,424	\$ 5,532,627	\$ 5,432,392	\$ 5,024,641	\$ 5,406,703	\$ 5,187,625	\$ 5,187,625
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	24.69%	-0.29%	-81.90%	-23.74%	-11.14%	-34.14%	-60.67%	-12.05%	-16.80%	-16.80%
Plan fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%	97.15%	97.15%
	NYSTRS Pension Plan Last 10 Fiscal Years*									
	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
District's proportion of the net pension asset/(liability)	0.110139%	0.108842%	0.108671%	0.109483%	0.107448%	0.108427%	0.106759%	0.106184%	0.104744%	0.104744%
District's proportionate share of the net pension asset/(liability)	\$ 19,086,079	\$ (3,007,601)	\$ 2,823,282	\$ 1,979,741	\$ 816,711	\$ (1,161,293)	\$ 11,088,831	\$ 11,828,204	\$ 689,482	\$ 689,482
District's covered-employee payroll	\$ 18,947,274	\$ 18,822,336	\$ 18,477,570	\$ 18,138,972	\$ 17,026,952	\$ 16,731,299	\$ 16,036,612	\$ 15,684,989	\$ 15,342,745	\$ 15,342,745
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	100.73%	-15.98%	15.28%	10.91%	4.80%	-6.94%	69.15%	75.41%	4.49%	4.49%
Plan fiduciary net position as a percentage of the total pension liability	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%	100.70%	100.70%

\* GASB 68 requires that the past 10 years of information be presented. Due to the fact that this statement was implemented for the year ended June 30, 2015, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 68.

See paragraph on supplementary schedules included in auditor's report.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
FOR THE YEAR ENDED JUNE 30, 2022

	NYSPERS Pension Plan Last 10 Fiscal Years*									
	3/31/2022	3/31/2021	3/31/2020	3/31/2019	3/31/2018	3/31/2017	3/31/2016	3/31/2015	3/31/2014	
Contractually required contribution	\$ 939,601	\$ 861,145	\$ 834,898	\$ 791,873	\$ 787,973	\$ 801,828	\$ 892,278	\$ 986,549	\$ 975,049	
Contributions in relation to the contractually required contribution	939,601	861,145	834,898	791,873	787,973	801,828	892,278	986,549	975,049	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Covered Employee Payroll	\$ 6,040,908	\$ 6,160,977	\$ 6,060,981	\$ 5,700,424	\$ 5,532,627	\$ 5,432,392	\$ 5,024,641	\$ 5,406,703	\$ 5,187,625	
Contributions as a percentage of its covered-employee payroll	15.55%	13.98%	13.77%	13.89%	14.24%	14.51%	17.76%	18.25%	18.80%	

NYSTRS Pension Plan  
Last 10 Fiscal Years\*

	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	
Contractually required contribution	\$ 1,781,554	\$ 1,740,502	\$ 1,876,941	\$ 1,748,110	\$ 1,995,559	\$ 2,218,570	\$ 2,811,218	\$ 2,548,811	\$ 1,816,581	
Contributions in relation to the contractually required contribution	1,781,554	1,740,502	1,876,941	1,748,110	1,995,559	2,218,570	2,811,218	2,548,811	1,816,581	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Covered Employee Payroll	\$ 18,947,274	\$ 18,822,336	\$ 18,477,570	\$ 18,138,972	\$ 17,026,952	\$ 16,731,299	\$ 16,036,612	\$ 15,684,989	\$ 15,342,745	
Contributions as a percentage of its covered-employee payroll	9.40%	9.25%	10.16%	9.64%	11.72%	13.26%	17.53%	16.25%	11.84%	

\* GASB 68 requires that the past 10 years of information be presented. Due to the fact that this statement was implemented for the year ended June 30, 2015, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 68.

See paragraph on supplementary schedules included in auditor's report.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET  
AND THE REAL PROPERTY TAX LIMIT - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022

CHANGE FROM ADOPTED TO FINAL BUDGET

ADOPTED BUDGET	\$ 50,775,098
ADDITIONS:	
Encumbrances from Prior Year	218,865
ORIGINAL BUDGET	50,993,963
BUDGET REVISIONS:	
School Lunch Fund Transfer	125,000
Capital Reserve	7,350
Employee Benefit Accrued Liability	51,300
Tax Certiorari	25,921
FINAL BUDGET	\$ 51,203,534

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2022–2023 Voter-approved expenditure budget maximum allowed (4% of 2022–2023 budget, \$52,672,111)	\$ 2,106,883
-------------------------------------------------------------------------------------------------------	--------------

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

Unrestricted Fund Balance:

Assigned Fund Balance	\$ 2,876,729
Unassigned Fund Balance	2,106,883
Total Unrestricted Fund Balance	4,983,612

Less:

Appropriated Fund Balance	2,187,146
Encumbrances Included in Assigned Fund Balance	689,583
Total Adjustments	\$ 2,876,729

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	\$ 2,106,883
----------------------------------------------------------------------------	--------------

Actual Percentage	4.00%
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See paragraph on supplementary schedules included in auditor's report.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
SCHEDULE OF CAPITAL PROJECTS FUND - PROJECT EXPENDITURES AND FINANCING RESOURCES  
FOR THE YEAR ENDED JUNE 30, 2022

	ORIGINAL APPROPRIATION	REVISED APPROPRIATION	EXPENDITURES TO DATE		UNEXPENDED BALANCE	PROCEEDS FROM DEBT	METHODS OF FINANCING		TOTAL	FUND BALANCE JUNE 30, 2022	BANS OUTSTANDING JUNE 30, 2022
			PRIOR YEARS	CURRENT YEAR			STATE SOURCES	LOCAL SOURCES			
Science Labs	\$ 400,000	\$ 797,947	\$ 787,872	\$ 0	\$ 787,872	\$ 10,075	\$ 0	\$ 797,947	\$ 797,947	\$ 10,075	\$ 0
Roof Projects											
Related Asbestos	3,600,000	3,212,988	3,212,988	0	3,212,988	0	0	3,587,142	3,587,142	374,154	0
Kitchens, Drainage, and Upgrades	3,000,000	3,000,000	1,753,395	7,350	1,760,745	1,239,255	0	1,750,600	1,750,600	(10,145)	0
18-20 Building Improvements	20,820,000	20,820,000	19,589,325	465,465	20,054,790	765,210	15,620,000	4,001,001	19,621,001	(433,789)	1,200,000
15/16 Bus Purchases*	255,000	255,000	255,000	0	255,000	0	0	255,000	255,000	0	0
16/17 Bus Purchases*	248,232	248,232	248,232	0	248,232	0	0	248,232	248,232	0	0
17/18 Bus Purchases*	287,458	287,458	287,458	0	287,458	0	0	230,192	230,192	(57,266)	57,266
18/19 Bus Purchases*	290,513	290,513	290,513	0	290,513	0	0	174,309	174,309	(116,204)	116,204
19/20 Bus Purchases*	265,000	265,000	257,597	0	257,597	7,403	0	106,000	106,000	(151,597)	159,000
20/21 Bus Purchases*	225,000	238,078	238,078	0	238,078	0	0	58,078	58,078	(180,000)	180,000
Smart Schools	229,336	346,118	331,431	0	331,431	14,687	331,431	0	331,431	0	0
Energy Performance	3,425,000	3,425,000	0	3,425,000	3,425,000	0	3,425,000	0	3,425,000	0	0
	\$ 33,045,539	\$ 33,186,334	\$ 27,251,889	\$ 3,897,815	\$ 31,149,704	\$ 2,036,630	\$ 19,045,000	\$ 331,431	\$ 30,584,932	\$ (564,772)	\$ 1,712,470

\* Funding for these projects will be provided when bond anticipation notes are redeemed from General Fund appropriations.

See paragraph on supplementary schedules included in auditor's report.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NET INVESTMENT IN CAPITAL ASSETS  
FOR THE YEAR ENDED JUNE 30, 2022

CAPITAL ASSETS, NET		\$ 69,265,862
DEDUCTIONS:		
Bond Anticipation Notes	\$ 1,712,470	
Short-term Portion of Bonds Payable (including an unamortized bond premiums of \$180,468)	2,425,468	
Long-term Portion of Bonds Payable (including an unamortized bond premium of \$2,150,582)	11,655,582	
Short-term Portion of Installment Debt	479,165	
Long-term Portion of Installment Debt	<u>4,176,554</u>	
Total Deductions		<u>20,449,239</u>
NET INVESTMENT IN CAPITAL ASSETS		<u><u>\$ 48,816,623</u></u>

See paragraph on supplementary schedules included in auditor's report.



**Nugent & Haeussler, P.C.**  
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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 THE FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

To the President and Members  
of the Board of Education of the  
Croton-Harmon Union Free School District  
Croton-on-Hudson, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Croton-Harmon Union Free School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Croton-Harmon Union Free School District's basic financial statements and have issued our report thereon dated September 27, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Croton-Harmon Union Free School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Croton-Harmon Union Free School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Croton-Harmon Union Free School District's internal control.

*A deficiency in internal control* exists when the design or operation of 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 considered to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

Montgomery, New York  
September 27, 2022



# Nugent & Haeussler, P.C.

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

To the President and Members  
of the Board of Education of the  
Croton-Harmon Union Free School District  
Croton-on-Hudson, New York

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

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

We have audited Croton-Harmon Union Free School District's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Croton-Harmon Union Free School District's major federal programs for the year ended June 30, 2022. Croton-Harmon Union Free School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

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

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

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

#### ***Responsibilities of Management for Compliance***

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

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

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

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

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

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

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

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

To the President and Members  
of the Board of Education of the  
Croton-Harmon Union Free School District

Page 3

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

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

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

Montgomery, New York  
September 27, 2022

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL ASSISTANCE LISTING NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>PASS-THROUGH TO SUBRECIPIENTS</u>	<u>TOTAL FEDERAL EXPENDITURES</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Passed-through NYS Education Department:				
Child Nutrition Cluster:				
Cash Assistance				
Pandemic EBT Administrative Costs	10.649	N/A	\$ 0	\$ 1,803
National School Lunch Program	10.555	N/A	0	679,958
Cash Assistance Subtotal			0	681,761
Non-Cash Assistance (food distribution)				
National School Lunch Program	10.555	N/A	0	6,930
TOTAL U.S. DEPT. OF AGRICULTURE, CHILD NUTRITION CLUSTER			0	688,691
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Passed-through NYS Education Department:				
Special Education Cluster:				
IDEA - Part B, Section 611	84.027	0032-22-0678	0	375,175
IDEA - Part B, Section 619	84.173	0033-22-0678	0	8,187
Total Special Education Cluster			0	383,362
Education Stabilization Fund under the Coronavirus				
ARP ESSER 3	84.425U	5880-21-3610	0	215,996
ARP - Full Day UPK Expansion 4 Year Old	84.425U	5870-22-9067	0	194,400
Total Education Stabilization Fund under the Coronavirus			0	410,396
Title I Parts A&D, Basic Program	84.010	0021-22-2235	0	63,714
Title II Part A, Teacher & Principal Training & Recruiting	84.367	0147-22-2235	0	18,000
Title III Part A, English Language Acquisition	84.365	0293-21-3735	0	3,477
Title IV SSAE ALL	84.424	0204-22-3610	0	10,000
Total Passed-through NYS Education Department			0	888,949
TOTAL U.S. DEPARTMENT OF EDUCATION			0	888,949
TOTAL FEDERAL AWARDS EXPENDED			\$ 0	\$ 1,577,640

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1. BASIS OF PRESENTATION.

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. The District's policy is not to charge federal award programs with indirect costs.

Matching costs (the District's share of certain program costs) are not included in the reported expenditures. The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program. The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

NOTE 2. NON-CASH ASSISTANCE.

The District is the recipient of a federal award program that does not result in cash receipts or disbursements. The District was granted \$6,930 of commodities under the National School Lunch Program (AL# 10.555).

NOTE 3. OTHER DISCLOSURES.

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value, and is covered by the District's casualty insurance policies.

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

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2022

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of Report the Auditor Issued on Whether the Financial Statements  
Audited Were Presented in Accordance with GAAP: Unmodified

Internal Control over Financial Reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes X No

Significant deficiency(ies) identified? \_\_\_\_\_ Yes X None Reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes X No

FEDERAL AWARDS

Internal Control over Major Programs:

Material weakness(es) identified? \_\_\_\_\_ Yes X No

Significant deficiency(ies) identified? \_\_\_\_\_ Yes X None Reported

Type of Auditor's Opinion Issued on Compliance for  
Major Programs: Unmodified

Any audit findings disclosed that are required to be reported  
in accordance with Section 2 CFR-200.516(a)? \_\_\_\_\_ Yes X No

IDENTIFICATION OF MAJOR PROGRAMS:

<u>ASSISTANCE LISTING NUMBERS</u>	<u>NAME OF FEDERAL PROGRAM OR CLUSTER</u>
84.027, 84.173	Special Education Cluster
84.425	Education Stabilization Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000.00

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes X No

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no findings relating to the financial statements which were required to be reported.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2022

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

A. Significant Deficiencies in Internal Control

There were no findings relating to the major federal awards as required to be reported in accordance with Section 2 CFR 200.516(a).

B. Compliance Findings

There were no findings relating to the major federal awards as required to be reported in accordance with Section 2 CFR 200.516(a).



**Nugent & Haeussler, P.C.**  
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### INDEPENDENT AUDITOR'S REPORT

To the President and Members  
of the Board of Education of the  
Croton-Harmon Union Free School District  
Croton-on-Hudson, New York

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#### **Opinion**

We have audited the accompanying financial statements of the Croton-Harmon Union Free School District's extraclassroom activity funds, which comprise the statement of assets, liabilities, and fund balance-cash basis as of June 30, 2022 and the related statement of receipts and disbursements-cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance of Croton-Harmon Union Free School District's extraclassroom activity funds as of June 30, 2022, and its receipts and disbursements-cash basis for the year then ended, in accordance with the cash basis of accounting as described in Note 1.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Croton-Harmon Union Free School District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

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

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

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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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.

- 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 Croton-Harmon Union Free School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Croton-Harmon Union Free School District's ability to continue as a going concern for a reasonable period of time.

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

Jugend + Hausler, P.C.

Montgomery, New York  
September 27, 2022

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
EXTRACLASSROOM ACTIVITY FUND  
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS  
JUNE 30, 2022

ASSETS

Cash in Checking	\$ 119,323
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LIABILITIES AND FUND BALANCE

LIABILITIES

Sales Tax Payable	\$ 794
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FUND BALANCE

Fund Balance, Beginning of Year	\$ 101,648	
Excess of Receipts over Disbursements	<u>16,881</u>	
Fund Balance, End of Year		<u>118,529</u>
TOTAL LIABILITIES AND FUND BALANCE		<u>\$ 119,323</u>

See notes to financial statement.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
EXTRACLASROOM ACTIVITY FUNDS  
SUMMARY OF RECEIPTS AND DISBURSEMENTS - CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2022

	FUND BALANCE JUNE 30, 2021	RECEIPTS	DISBURSEMENTS	FUND BALANCE JUNE 30, 2022
Band Club	1,298	2,413	0	3,711
Book Club	474	0	0	474
Cacti	315	0	0	315
Care Club	266	0	0	266
Chinese Club	888	250	356	782
Chorus	273	0	0	273
Class Of 2022	1,795	15,050	16,845	0
Class of 2023	433	10,630	8,245	2,818
Class of 2024	350	2,885	2,670	565
Class of 2025	0	403	0	403
Community Service & Interact	1,354	0	0	1,354
Drama Club	5,228	2,383	926	6,685
Explorer Club	151	0	0	151
Fourth Floor Literary Magazine	191	0	0	191
French Club	1,456	0	0	1,456
Green Team	622	0	0	622
GSA	383	0	0	383
Humans Rights Task Force	380	0	0	380
La Rochelle	7,754	0	0	7,754
National Honor Society	2,091	0	0	2,091
PI Squad	85	0	0	85
Random Acts of Kindness	20	0	0	20
CHHS SFC Fundraising	358	0	0	358
CHHS SFC Memorial Fund	4,540	395	0	4,935
CHHS Chess Club	0	250	0	250
Teen Leadership Council	3,109	0	0	3,109
Shakespeare Club	3,877	0	0	3,877
Spanish Club	497	985	985	497
Spanish Exchange	2,429	2,340	0	4,769
Spirit Club	287	0	0	287
Tiger Tales	5,150	402	0	5,553
Tri-M Music Honor Society	143	0	0	143
PVC Destination Imagination	37,759	1,800	156	39,403
PVC Drama Club	905	5,151	2,316	3,740
PVC Social Action	424	0	0	424
PVC Student Council	2,169	0	0	2,169
PVC Yearbook	6,713	1,196	70	7,839
PVC School Store	602	0	0	602
PVC Math II Club	125	0	0	125
PVC Chess Club	375	0	0	375
PVC Pride Club	559	0	0	559
PVC Quebec Club	508	372	0	881
PVC Ski Club	624	3,030	2,800	854
	<u>\$ 101,648</u>	<u>\$ 54,766</u>	<u>\$ 37,885</u>	<u>\$ 118,529</u>

See notes to financial statement.

CROTON-HARMON UNION FREE SCHOOL DISTRICT  
CROTON-ON-HUDSON, NEW YORK  
EXTRACLASROOM ACTIVITY FUNDS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

- (a) The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of the Croton-Harmon Union Free School District. We have included the Extraclassroom Activity Fund balances within the Miscellaneous Special Revenue Fund of the financial statements. The separate audit report of the Extraclassroom Activity Funds is required due to the fact that the transactions of this fund are controlled by student management.
- (b) The books and records of the Croton-Harmon Union Free School District's Extraclassroom Activity Funds are maintained on the cash basis of accounting. Under this basis of accounting, revenues are recognized when cash is received and expenditures recognized when cash is disbursed.
- (c) The Extraclassroom Activity Funds are used to record the activity of all student-related activities within the District. These funds are under the control of an appointed central treasurer who maintains cash receipts and cash disbursement books. All receipts are collected by the student activity treasurer and disbursements must be approved by the student management.