

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

AUDITED

PINE PLAINS CENTRAL SCHOOL DISTRICT

For the Year Ended June 30, 2022

Audited for:

Board of Education

PINE PLAINS CENTRAL SCHOOL DISTRICT

Audited By:

RBT CPAs, LLP
4071 US Route 9
Hudson, NY 12534
(518) 828-4616

PINE PLAINS CENTRAL SCHOOL DISTRICT

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

This section of the District's annual financial report presents its discussion and analysis of the District's performance during the fiscal year ending June 30, 2022. The section is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction. It should be read in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

- Net assets increased from (\$121,917,477) to (\$121,334,177) largely due to a decrease in net OPEB obligation less than the decrease in the related Deferred Outflow.
- Total District General Fund revenues increased by \$2,258,480 or 7.0% to \$34,959,572.
- As of the close of this fiscal year, the District's governmental funds reported combined fund balances of \$14,375,084, an increase of \$38,667 in comparison with the prior year.

PINE PLAINS CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Overview of the Financial Statements

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

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

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

Figure A-1 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 management's discussion and analysis highlights the structure and contents of each of the statements.

PINE PLAINS CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Figure A-1			
Major Features of the District-Wide and Fund Financial Statements			
	District-Wide Statements	Fund Financial Statements	
		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, cafeteria and transportation expenses.	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Fiduciary Net Position Statement of Changes in Fiduciary Net Position
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual 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 included	All assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources (if any) both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during 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

PINE PLAINS CENTRAL SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

District-Wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District’s assets 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 it has changed. The net position – 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 non-financial 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 Governmental activities. Most of the District’s basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.

Fund Financial Statements

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

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as a fund for scholarship monies) 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 determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.

PINE PLAINS CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

- *Fiduciary Funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as the scholarship fund and the student activities funds. 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

Net Position

The following schedule shows the Net Position for the District as of June 30, 2022:

Figure A-2

Condensed Statement of Net Position (in thousands of dollars)

	<u>Governmental and Total School District Activities</u>		
	<u>2022</u>	<u>2021</u>	<u>Variance Increase (Decrease)</u>
Assets			
Current and Other Assets	\$ 18,205	\$ 16,378	\$ 1,827
Capital Assets	27,419	25,884	1,535
Net Pension Asset-Proportionate Share	11,602	-	11,602
Total Assets	<u>57,226</u>	<u>42,262</u>	<u>14,964</u>
 Deferred Outflow of Resources	 <u>8,322</u>	 <u>41,052</u>	 <u>(32,730)</u>
Liabilities			
Payables	1,379	850	529
Long-Term Debt - Payable after One Year	143,361	200,425	(57,064)
Other Liabilities	1,499	1,185	314
Net Pension Liability-Proportionate Share	-	1,688	(1,688)
Total Liabilities	<u>146,239</u>	<u>204,148</u>	<u>(57,909)</u>
 Deferred Inflow of Resources	 <u>43,643</u>	 <u>1,083</u>	 <u>42,560</u>
Net Position			
Invested in Capital Assets, Net of Related Debt	27,419	25,884	1,535
Restricted	9,509	11,036	(1,527)
Unrestricted	(161,262)	(158,837)	(2,425)
Total Net Position	<u>\$ (124,334)</u>	<u>\$ (121,917)</u>	<u>\$ (2,417)</u>

Note: Assets + Deferred Outflows - Liabilities - Deferred Inflows = Net Position

Note: Totals may not add due to rounding.

Governmental Activities/Changes in Net Position

PINE PLAINS CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

The District's net position decreased by \$2.406 million, due to government activities (Figure A-3).

Figure A-3
Changes in Net Position from Operating Results (in thousands of dollars)

	Governmental and Total School District Activities		
	2022	2021	Variance Increase (Decrease)
Revenues			
Program Revenues:			
Charges for Services	\$ 221	\$ 98	\$ 123
Operating Grants and Contributions	1,463	1,138	325
Total Program Revenues	1,684	1,236	448
General Revenues:			
Real Property Taxes and Other Tax Items	24,743	24,196	547
Use of Money and Property	33	10	23
Sale of Property and Compensation for Loss	115	31	84
Miscellaneous	193	453	(260)
State Sources	7,969	7,574	395
Federal Sources	222	271	(49)
Premium on Issuance of Bonds	-	-	-
Total General Revenues	33,275	32,535	740
Total Revenues	34,959	33,771	1,188
Expenses			
Instruction	12,081	15,760	(3,679)
Support Services:			-
General Support	3,150	3,222	(72)
Pupil Transportation	2,087	1,991	96
Community Service	-	-	-
Debt Service - Interest	-	-	-
Other Expenses	29	5	24
Employee Benefits	18,265	33,802	(15,537)
Amortization - Unallocated	52	-	52
Depreciation - Unallocated	1,217	1,194	23
Cost of Sales	484	370	114
Total Expenses	37,365	56,344	(18,979)
Increase (Decrease) in Net Position:	\$ (2,406)	\$ (22,573)	\$ 20,167

PINE PLAINS CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**Figure A-4
Sources of Revenues for Fiscal Year 2022**

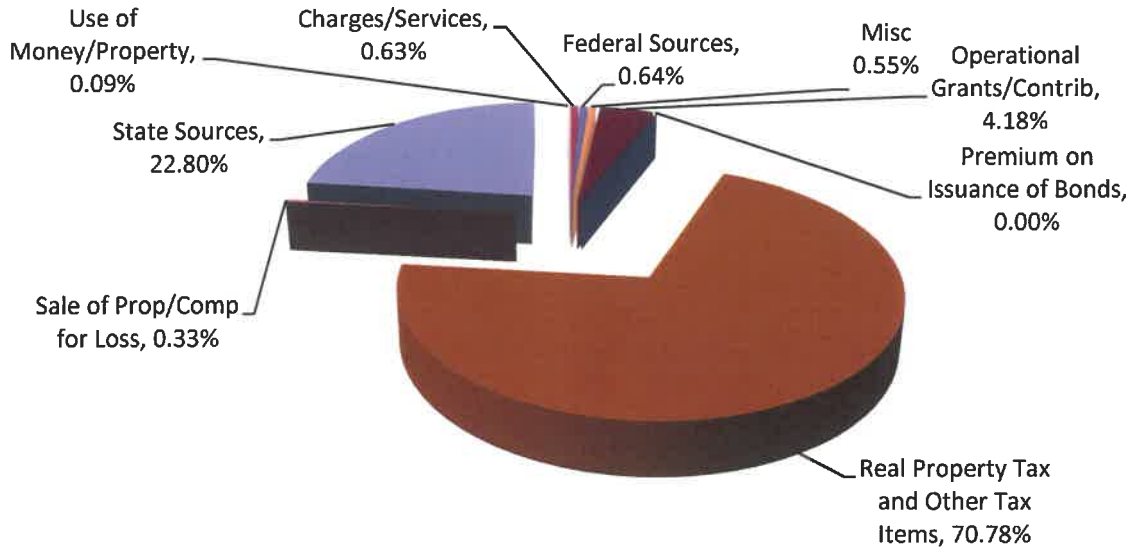
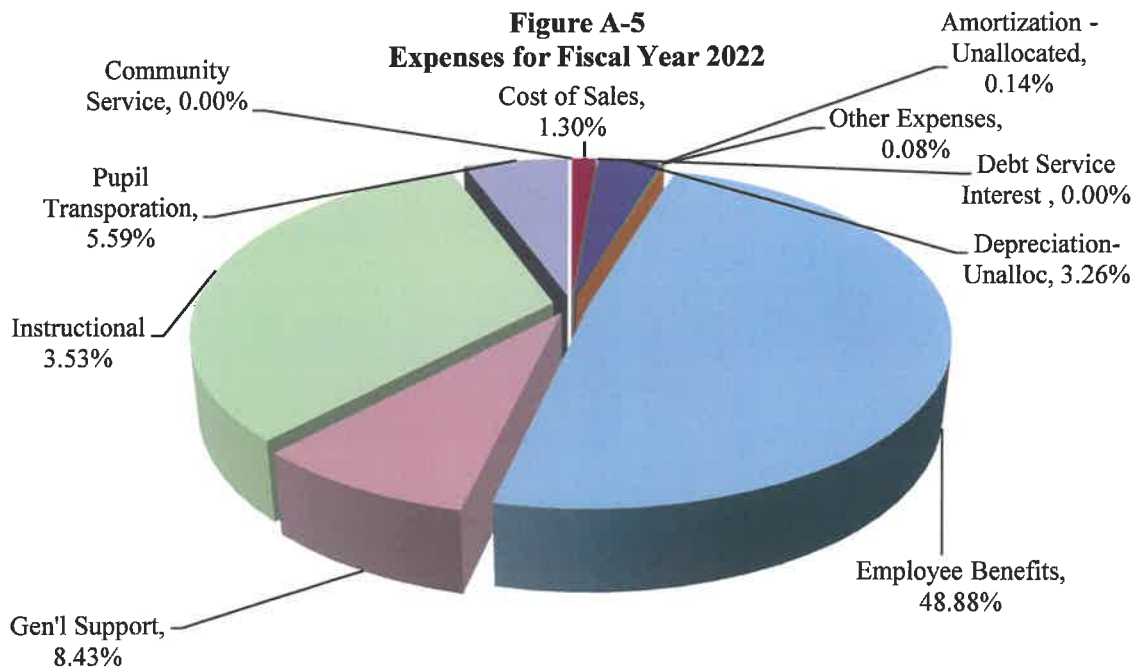


**Figure A-5
Expenses for Fiscal Year 2022**



PINE PLAINS CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Financial Analysis of the District's Funds

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported combined fund balances of \$14,375,084 (excluding capital) an increase of \$38,667.

General Fund Budgetary Highlights

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

- District voters approved a 2020-2022 School Budget in the amount of \$34,176,675. This amount was increased by carryover encumbrances of \$209,531, and revisions for \$2,767,525 resulting in a final budget of \$37,135,731. This District recorded this budget in its General Fund and followed certain policies and procedures to ensure that District expenditures adhered to the spending plan approved by District voters. For instance, the District used an encumbrance system to determine that sufficient funds were available prior to being spent. In the event the District needed to purchase an item or service and the account code had insufficient funds, then the Superintendent and Board of Education had the authority to approve transfers between budget codes.
- Accrual revenues were \$33.227 million, with an actual to budget variance of a negative \$3.573 million due to appropriated fund balance, which was more than the \$3.277 million budgeted of appropriated fund balance to be used.
- Accrual expenditures were \$32.872 million and encumbrances of \$.547 million, with a positive actual to budget variance of \$.710 million, equally due to lower than expected Special Education Expenditures and Employee Benefits Expenditures.

Capital Asset and Debt Administration

Capital Assets

The overall capital assets as of June 30, 2022, are given below. (See Figure A-6).

Figure A-6
Capital Assets (net of depreciation)

	Capital Assets	
	2022	<i>Restated</i> 2021
Land	\$ 53,500	\$ 53,500
Construction in Progress	2,703,943	4,570,593
Buildings and Improvements	23,101,657	19,597,160
Machinery & Equipment	1,559,739	1,366,342
Total	<u>\$ 27,418,839</u>	<u>\$ 25,587,595</u>

Note: Totals may not add due to rounding

PINE PLAINS CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

The total increase in the District's capital net assets (net of accumulated depreciation) for the current year was \$1,831,244. The decrease to capital assets is attributable to capital additions net of accumulated depreciation.

Long-Term Obligation

The District had long-term obligations including the OPEB (other postemployment benefits) obligation and compensated absences in the amount of \$143,111,002 as of June 30, 2021, a decrease over the previous year of \$200,425,462. The obligations outstanding for the year ended June 30, 2022 is summarized as follows:

Figure A-7
Outstanding Long-Term Debt (in thousands of dollars)

	Total School District	
	2021	2021
OPEB Obligation	\$ 143,111,002	\$ 200,266,974
Leases	91,659	
Compensated Absences	158,488	158,082
Total	<u>\$ 143,361,149</u>	<u>\$ 200,425,056</u>

Under current state statutes, the District's general obligation bonded debt issues are subject to a legal limitation based on 10% of the total full value of real property. At June 30, 2021 the District's general obligation debt was significantly less than its total debt limit. The Pine Plains Central School District currently has no bond rating as bonds have not been issued since 1985.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of some existing circumstances that could affect its financial position in the future:

- The District has received COVID relief funds through the ARP (American Rescue Plan) grant. The District is required to use 20% for learning loss and has been approved for the remaining 80% to be used for ventilation upgrades to Seymour Smith for the ARP funds.
- The District had a Capital Project approved at its May 2021 budget vote. The Capital Project will be funded by most of a Capital Reserve. The economy, projections on inflation and supply chain issues caused bids for the project to come in much higher than anticipated. The District used \$4,860,057 of capital reserves and \$1,621,558 appropriated fund balance to fund 71.3% of the project. The District borrowed \$2.6 million to fund the balance of the project (28.7%) in September, 2022. The decision to borrow was so the Capital Reserve Funds were not fully depleted.
- The District created, with voter approval, a Capital Reserve for buses. This reserve will be funded with excess fund balance to offset the cost of the EV Bus Regulation put into Law (Education Law Section 3638) on April 15, 2022. In summary, by the year 2027, EV School Bus Purchases must begin and by 2035 all buses on the road must be zero emissions (100% implementation). The District has created an EV Committee to study the impact of the State Mandate requiring EV buses for transportation.
- New York State's now permanent tax levy limit legislation will have an effect on how much the District can add to fund balance in the future as the District depends on property tax revenue to fund more than 70 percent of its operations.

PINE PLAINS CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

- There is also the continuing challenge of effectively managing the manner and quality of education currently provided by the District as the needs of the students changes and the percentage of students classified increases.

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:

Pine Plains Central School District
Laura L. Rafferty
Business Official
2829 Church Street
Pine Plains, New York 12567



LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Pine Plains Central School District
2829 West Church St
Pine Plains, NY 12567

Report on the Financial Statement

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As discussed in Note 2. to the financial statement, in 2022 the District adopted new accounting guidance GASB No. 87, *Leases*. Our opinion is not modified with respect to this matter. A prior period adjustment was reflected with the adoption of GASB 87.

PINE PLAINS CENTRAL SCHOOL DISTRICT
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of revenues, expenditures – budget and actual, schedule of funding progress for other post-employment benefits, schedule of local government's proportionate share of net pension liability for New York State Employees' Retirement System, and for New York State Teachers' Retirement System, and schedule of local government's contributions for the New York State Employees' Retirement System and the New York State Teachers' Retirement System information 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

PINE PLAINS CENTRAL SCHOOL DISTRICT
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises of the Schedule of Change from Adopted Budget to Final Budget and Section 1318 Real Property Tax Law Limit Calculation, Schedule of Project Expenditures – Capital Project Fund, and the Schedule of Net Investment in Capital Assets, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2022, on our consideration of District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

RBT CPA, LLP

Hudson, New York
October 6, 2022

PINE PLAINS CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS

Cash:	
Unrestricted	\$ 6,639,435
Restricted	1,699,327
Investments:	
Unrestricted	109,062
Restricted	7,825,631
Receivables:	
Accounts	-
State and Federal Aid	976,308
Due from Other Governments	273,440
Other	125,888
Inventories	19,104
Intangible Right to Use Assets (Net of Accumulated Amortization)	537,134
Land, Buildings and Equipment (Net of Accumulated Depreciation)	27,418,839
Net Pension Asset-Proportionate Share	11,601,520
Total Assets	57,225,689

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows - Pension	8,321,684
Deferred Outflows - OPEB	-
Defeasance Loss	-
Total Deferred Outflows of Resources	8,321,684

LIABILITIES

Payables:	
Accounts Payable	1,378,847
Accrued Liabilities	56,617
Student Meals Liability	-
Due to Fiduciary Funds	-
Due to Other Governments	596
Interest Payable	-
Due to Teachers' Retirement System	1,266,027
Due to Employees' Retirement System	175,301
Net Pension Liability-Proportionate Share	-
Long-Term Liabilities:	
Due and Payable Within One Year:	
Bonds Payable	-
Capitalized Lease-Purchase Obligations	-
Due and Payable After One Year:	
Bonds Payable	-
Capitalized Lease-Purchase Obligations	-
Compensated Absences Payable	158,488
Other Post Employment Benefits Payable	143,111,002
Intangible Right to Use Liabilities	91,659
Total Liabilities	146,238,537

DEFERRED INFLOWS OF RESOURCES

Other - OPEB	28,401,009
Pensions	15,242,004
Total Deferred Inflows of Resources	43,643,013

NET POSITION

Net Investment in Capital Assets	27,418,839
Restricted	
Debt Service	19,768
Capital	-
Other Legal Restrictions (Specify)	9,489,085
Unrestricted	(161,261,869)
Total Net Position	\$ (124,334,177)

See accompanying notes to the financial statements.

PINE PLAINS CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

	Expenses	Indirect Expenses Allocation	Program Revenues Charges for Services	Operating Grants	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS					
General Support	\$ (3,150,290)	\$ (1,588,660)	\$ -	\$ -	\$ (4,738,950)
Instruction	(16,709,594)	(11,695,348)	130,735	1,138,509	(27,135,698)
Pupil Transportation	(2,087,238)	(1,437,932)	-	-	(3,525,170)
Community Service	-	-	-	-	-
Employee Benefits	(13,636,931)	13,636,931	-	-	-
Debt Service	-	-	-	-	-
Other Expenses	(28,757)	-	-	-	(28,757)
Cafeteria Program	(483,717)	(184,133)	90,192	324,506	(253,152)
Amortization	(52,253)	52,253	-	-	-
Depreciation	(1,216,889)	1,216,889	-	-	-
Total Functions and Programs	<u>(37,365,670)</u>	<u>0</u>	<u>220,928</u>	<u>1,463,015</u>	<u>(35,681,727)</u>
GENERAL REVENUES					
Real Property Taxes					23,638,234
Other Tax Items					-
Non Property Taxes					1,105,403
Use of Money and Property					32,891
Sale of Property and Compensation for Loss					115,474
Miscellaneous					192,585
Interfund Revenue					-
State Sources					7,969,406
Federal Sources					-
Medicaid Reimbursement					<u>221,636</u>
Total General Revenues					<u>33,275,629</u>
Change in Net Position					(2,406,098)
Total Net Position - Beginning of Year					(121,917,477)
Prior Period Adjustment - See Note 13					<u>(10,602)</u>
Total Net Position - Beginning of Year, as Restated					<u>(121,928,079)</u>
Total Net Position - End of Year					<u>\$ (124,334,177)</u>

See accompanying notes to the financial statements.

PINE PLAINS CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	Capital Projects	Non-Major	Governmental Funds
ASSETS				
Cash:				
Unrestricted	\$ 5,513,510	\$ 957,704	\$ 168,221	\$ 6,639,435
Restricted	1,663,454	-	35,873	1,699,327
Investments:				
Unrestricted	-	-	109,062	109,062
Restricted	7,825,631	-	-	7,825,631
Receivables:				
Due from Other Funds	813,204	-	73,834	887,038
State and Federal Aid	210,450	-	765,858	976,308
Due from Other Governments	273,440	-	-	273,440
Other, Net of Allowance	125,888	-	-	125,888
Inventories	-	-	19,104	19,104
Deferred Expenditures	-	-	-	-
Capital Assets, Net	-	-	-	-
Total Assets	<u>\$ 16,425,578</u>	<u>\$ 957,704</u>	<u>\$ 1,171,952</u>	<u>\$ 18,555,234</u>
LIABILITIES				
Payables:				
Accounts Payable	\$ 228,152	\$ 1,146,364	\$ 4,331	\$ 1,378,847
Accrued Liabilities	56,282	-	335	56,617
Due to Other Funds	73,834	5,511	807,693	887,038
Due to Other Governments	-	-	596	596
Long-Term Liabilities:				
Due to Teachers' Retirement System	1,266,027	-	-	1,266,027
Due to Employees' Retirement System	165,599	-	9,701	175,301
Total Liabilities	<u>1,789,895</u>	<u>1,151,875</u>	<u>822,656</u>	<u>3,764,426</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenue	258,421	-	157,304	415,725
Sale of Future Revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>258,421</u>	<u>-</u>	<u>157,304</u>	<u>415,725</u>
FUND BALANCES				
Non-Spendable	-	-	19,104	19,104
Restricted	9,489,085	-	35,872	9,524,958
Committed	-	-	-	-
Assigned	3,478,051	(194,172)	137,015	3,420,894
Unassigned	1,410,126	-	-	1,410,126
Total Fund Balances	<u>14,377,263</u>	<u>(194,172)</u>	<u>191,992</u>	<u>14,375,083</u>
Total Liabilities and Fund Balances	<u>\$ 16,425,579</u>	<u>\$ 957,703</u>	<u>\$ 1,171,952</u>	<u>\$ 18,555,234</u>

See accompanying notes to the financial statements.

PINE PLAINS CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	General	Capital Projects	Non-Major	Governmental Funds
REVENUES				
Real Property Taxes	\$ 23,638,234	\$ -	\$ -	\$ 23,638,234
Nonproperty Taxes	1,105,403	-	-	1,105,403
Charges for Services	130,735	-	-	130,735
Use of Money and Property	32,542	349	-	32,891
Sale of Property and Compensation for Loss	115,474	-	-	115,474
Miscellaneous	179,221	-	13,364	192,585
State Sources	7,969,406	-	307,184	8,276,590
Medicaid Reimbursement	221,636	-	-	221,636
Federal Sources	-	-	1,138,509	1,138,509
Surplus Food	-	-	17,322	17,322
Sales - School Lunch	-	-	90,192	90,192
Total Revenues	33,392,652	349	1,566,572	34,959,572
EXPENDITURES				
General Support	3,152,615	-	-	3,152,615
Instruction	15,949,950	-	880,520	16,830,470
Pupil Transportation	2,111,560	-	-	2,111,560
Community Service	-	-	-	-
Employee Benefits	9,088,696	-	112,685	9,201,381
Cost of Sales	-	-	483,717	483,717
Other Expenditures	-	-	28,757	28,757
Capital Outlay	-	3,112,404	-	3,112,404
Total Expenditures	30,302,822	3,112,404	1,505,679	34,920,905
Excess (Deficiency) of Revenues Over Expenditures	3,089,830	(3,112,055)	60,892	38,667
OTHER FINANCING SOURCES AND USES				
Operating Transfers In	188,523	2,513,470	55,346	2,757,339
Operating Transfers (Out)	(2,568,816)	(188,523)	-	(2,757,339)
Total Other Sources (Uses)	(2,380,292)	2,324,947	55,346	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	709,538	(787,109)	116,238	38,667
Fund Balances - Beginning of Year	13,667,726	592,937	75,754	14,336,417
Fund Balances - End of Year	\$ 14,377,264	\$ (194,172)	\$ 191,992	\$ 14,375,084

See accompanying notes to the financial statements.

PINE PLAINS CENTRAL SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Fund Balances - Total Governmental Funds	\$ 14,375,083
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Amounts reported for Governmental Activities in the Statement of Net Position are:

Capital assets, net of accumulated depreciation, used in Governmental Activities are not current financial resources and, therefore, are not reported in the funds.

Total Historical Cost	44,809,364	
Less Accumulated Depreciation	<u>(17,390,525)</u>	27,418,839

Leased assets, net of accumulated depreciation, used in Governmental Activities are not current financial resources and, therefore, are not reported in the funds.

Total Right to Use Asset	1,414,940	
Less Accumulated Amortization	<u>(877,806)</u>	537,134

The School District's proportionate share of the Teacher and Employee Retirement Systems' collective net pension asset or (liability) is not reported in the funds.

TRS Net Pension Asset - Proportionate Share	10,634,215	
ERS Net Pension Asset - Proportionate Share	<u>967,305</u>	11,601,520

Deferred outflows of resources, including OPEB, and pensions, represents a consumption of net position that applies to future periods and, therefore, is not reported in the funds. Deferred inflows of resources, including OPEB, and pensions, represents an acquisition of net position that applies to future periods and, therefore, is not reported in the funds.

ERS Deferred Outflows of Resources - Pension	1,736,391	
ERS Deferred Outflows of Resources - Contribution Post Measurement	165,599	
ERS Deferred Inflows of Resources - Pension	(3,315,724)	
TRS Deferred Outflows of Resources - Pension	5,153,667	
TRS Deferred Outflows of Resources - Contribution Post Measurement	1,266,027	
TRS Deferred Inflows of Resources - Pension	(11,926,280)	
Deferred Outflows of Resources - OPEB	-	
Deferred Inflows of Resources - OPEB	<u>(27,985,284)</u>	(34,905,604)

Long-term liabilities, including bonds payable, compensated absences, and amounts due for other post-employment employee benefits, are not due and payable in the current period and, therefore, are not reported in the funds.

Lease Payable	(91,659)	
Long-Term Compensated Absences	(158,488)	
Other Post-Employment Benefits Liabilities	<u>(143,111,002)</u>	(143,361,149)

Net Position (Deficit) of Governmental Activities	\$ <u>(124,334,177)</u>
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See accompanying notes to the financial statements.

PINE PLAINS CENTRAL SCHOOL DISTRICT
RECONCILIATION OF NET CHANGE IN GOVERNMENTAL FUND
BALANCES TO GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION
JUNE 30, 2022

Total net changes in fund balances - governmental funds	\$	38,667
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Amounts reported for governmental *activities* in the Statement of Activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the Statement and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which depreciation exceeds capital outlays in the period.

	Depreciation Expense	\$ (1,216,889)	
	Loss on Disposition	(42,682)	
	Capital Outlays	<u>3,090,815</u>	1,831,244

Lease proceeds to enter into agreement for the use of equipment are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the Statement and allocated over their estimated useful lives as annual depreciation amortization expenses in the Statement of Activities

	Amortization Expense	\$ (52,253)	
	Leased Equipment	<u>185,147</u>	132,894

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

26,647

In the Statement of Activities, certain operating expenses--compensated absences (vacations), special termination benefits (early retirement) and retirees' health insurance--are measured by the amounts *earned* during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually *paid*).

(6,769,916)

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

Teachers' Retirement System		1,838,608
Employees' Retirement System		<u>495,758</u>

Change in net position of governmental activities.	\$	<u>(2,406,098)</u>
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PINE PLAINS CENTRAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022

	<u>Custodial</u>
ASSETS:	
Cash	\$ 171,502
Accounts Receivable	-
Due from Other Funds	-
Prepaid Expenditures	<u>-</u>
Total Assets	<u>171,502</u>
LIABILITIES:	
Due to Other Funds	-
Due to Other Governments	1,048
Other Liabilities	<u>-</u>
Total Liabilities	<u>1,048</u>
NET POSITION:	
Reserved	<u>\$ 170,454</u>

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Custodial</u>
ADDITIONS:	
Contributions	\$ 116,436
Interest	100
Total Additions	<u>116,536</u>
DEDUCTIONS:	
Fees	-
Scholarships and Awards	27,943
Other Custodial Activities	<u>85,403</u>
	<u>113,346</u>
Change in Net Position	3,190
Net Position - Beginning of Year	<u>167,264</u>
Net Position - End of Year	<u>\$ 170,454</u>

See accompanying notes to the financial statements.

PINE PLAINS CENTRAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES:

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

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

A. Reporting Entity:

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of 7 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* and GASB 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB No. 14 and No. 39* and GASB 80, *Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District and its component unit and other organizational entities determined to be includable in the District’s financial reporting entity. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District’s reporting entity is based on several criteria, including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief description of certain entities included in the District’s reporting entity.

-- Extraclassroom Activity Funds:

The Extraclassroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found at the District’s business office. The District accounts for assets held as an agent for various student organizations in an Custodial Fund.

PINE PLAINS CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

B. Joint Venture:

The Pine Plains Central School District is one of 14 component school districts in the Dutchess Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services, and programs which provide educational and support activities.

BOCES are organized under Section 1950 of the Education Law. A BOCES Board is considered a corporate body. All BOCES property is held by the BOCES Board as a corporation (Section 1950(6)). In addition, BOCES Boards are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section 119-n(a) of the General Municipal Law.

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

During the year, the District was billed \$2,543,555 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$553,781.

The basic financial statements for the BOCES are available from the BOCES administrative office.

C. Basis of Presentation:

I. District-Wide Statements:

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

PINE PLAINS CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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

II. Fund Financial Statements:

The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as non-major funds.

The District reports the following major governmental funds:

a. 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.

b. Capital Projects Funds:

These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

The District reports the following non-major governmental funds:

a. Debt Service Fund:

This fund accounts for the accumulation of resources and the payments of principal and interest on long-term general obligation debt of governmental activities.

b. Special Revenue Funds:

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes, school lunch operations, and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

PINE PLAINS CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

1. Special Aid Fund:

Special Aid Fund is used to account for special operating projects or programs supported in whole, or in part, with Federal funds or State or Local grants.

2. School Lunch Fund:

School Lunch Fund is used to account for transactions of lunch, breakfast, and milk programs.

3. Miscellaneous Special Revenue Fund:

Miscellaneous Special Revenue Fund are used to account for and report those revenues that are restricted or committed to expenditures for specified purposes.

The District reports the following fiduciary funds:

These funds are used to account for fiduciary activities. 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.

a. Custodial Funds:

Custodial Funds are strictly custodial in nature and are not required to be reported in pension and other employee benefit trust funds, investments trust funds or private purpose trust fund.

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.

PINE PLAINS CENTRAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The 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, including real property taxes.

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. Cash, (Cash Equivalents) 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. Collateral is required for demand and time deposits and certificates of deposits not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and Districts. Investments are stated at fair value.

F. Property Taxes:

- I. Real property taxes are levied annually by the Board of Education no later than September 1, and become a lien on August 19. Taxes are collected during the period September 9 to November 9.

PINE PLAINS CENTRAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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

- II. In June of 2011, New York State passed Chapter 97 of the Laws of 2011 (Tax Cap Law). This law applies to all local governments in New York State. The Tax Cap Law restricts the amount of real property taxes that may be levied by the District in a particular year, beginning with the 2012 fiscal year.

The growth in annual levy is limited to the lesser of two percent or annual change in the national unadjusted Consumer Price Index for All Urban Consumers – All Items (CPI-U), subject to certain limited exceptions and adjustments.

G. Accounts Receivable:

Receivables (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.

H. Inventories and Prepaid Items:

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

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

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

I. 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.

PINE PLAINS CENTRAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Permanent transfers of funds include the transfer of expenditure and revenues to provide financial 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 8 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

J. 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.

In the District-wide financial statements, bond issuance costs are capitalized and amortized over the life of the debt issue. In the funds statements these same costs are netted against bond proceeds and recognized in the period of issuance.

K. Capital Assets:

Capital assets are reported at historical cost or estimated historical costs, based on appraisals conducted by independent third party professionals. Donated assets are reported at estimated fair market value at the time received.

Capitalized threshold (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:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings and Improvements	\$500	Straight-Line	15-50 years
Site Improvements	\$500	Straight-Line	15-50 years
Furniture and Equipment	\$500	Straight-Line	5-20 years
Vehicles	\$500	Straight-Line	5-20 years

PINE PLAINS CENTRAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

L. 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, therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. The government has three items that qualify for reporting in this category. The first item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second is the District contribution to the pension systems (TRS and ERS Systems) subsequent to the measurement date. Lastly, are the District's changes of assumptions or other inputs to the OPEB.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and, therefore, 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 arises only under a modified accrual basis of accounting and is reported as unavailable revenue. The second item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense.

M. Vested Employee Benefits:

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

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Sick leave use is based on a last-in first-out (LIFO) basis.

Upon retirement or death, employees may receive a payment based on unused accumulated sick leave, based on contractual provisions.

PINE PLAINS CENTRAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Consistent with GASB Statement 16, *Accounting for Compensated Absences*, an accrual for accumulated sick leave is included in the compensated absences liability in the District-wide financial statements. The compensated absences liability is calculated based on the rates in effect at year-end as defined in the contractual bargaining agreement.

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

N. 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 health insurance coverage and survivor benefits for retired employees and their survivors in accordance with various employment contracts. 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. Some costs of providing post-retirement benefits are shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of the insurance premiums as an expenditure or operating transfer to other funds in the General Fund in the year paid.

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 resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for unearned revenues is removed and revenues are recorded.

P. Restricted Resources:

When an expense is incurred for purposes for which both restricted and unrestricted net assets 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.

PINE PLAINS CENTRAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Q. 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.

R. Short-Term Debt:

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

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

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

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

S. Accrued Liabilities and Long-Term Obligations:

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

PINE PLAINS CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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

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

T. Equity Classifications:

I. District-Wide Statements:

In the District-wide statements there are three classes of net assets:

- a. *Investment in Capital Assets, Net of Related Debt* – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvements of those assets.
- b. *Restricted Net Position* – reports net position when constraints placed on the position 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.
- c. *Unrestricted Net Position* – reports all other net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the District.

II. Fund Statements:

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

- a. *Non-Spendable Fund Balance* – includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. (School Lunch Fund - \$19,104).
- b. *Restricted* – includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General Fund are classified as restricted fund balance. The District has established the following restricted fund balances:

PINE PLAINS CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

1. Capital/Technology:

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

2. Debt Service:

According to General Municipal Law §6-1, the Mandatory Reserve for Debt Service must be established 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.

3. Employee Benefit Accrued Liability:

According to General Municipal Law §6-p, must be used for the payment of accrued employee benefits 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.

4. Insurance:

According to General Municipal Law §6-n, the Insurance Reserve must be used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action and funded by budgetary appropriations or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve; however, the annual contribution to this reserve may not exceed the greater of \$33,000 or 5% of the budget. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval.

PINE PLAINS CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

5. Liability Claims and Property Loss (*not currently utilized*):

According to Education Law §1709(8) (c), this reserve fund must be used to pay for liability claims and property loss incurred. Separate funds for liability claims and property loss 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.

6. Repairs (*not currently utilized*):

According to General Municipal Law §6-d, must be 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.

7. Retirement Contributions:

According to General Municipal Law §6-r, all expenditures made from the retirement contributions reserve fund must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This reserve is established by Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. 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. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contribution for the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all existing provisions of General Municipal Law §6-r.

8. Tax Certiorari:

According to Education Law §3651.1-a, this reserve fund must be used to establish a reserve fund for tax certiorari and to expend from the fund

PINE PLAINS CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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.

9. Unemployment Insurance:

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

10. Workers' Compensation (*not currently utilized*):

According to General Municipal Law §6-j, this reserve fund 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.

11. Encumbrances:

Encumbrance accounting, under which purchase orders, contracts and other commitments of expenditures are recorded for budgetary control purposes in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances for specific purposes for which resources have been restricted, committed or assigned do not result in a separate display of the encumbered amounts within those classifications/funds.

PINE PLAINS CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

12. Tax Reduction (*not currently utilized*):

According to Education Law §1604(36), 1709(37), this reserve fund is available to retain the proceeds from the sale of school district real property that are not needed to pay any debts, and gradually use such proceeds to reduce real property taxes over a period not to exceed ten years.

Restricted fund balance includes the following:

General Fund:	
Retirement Contribution	\$ 1,714,666
Employee Benefit Accrued Liability	143,825
Unemployment	225,000
Tax Certiorari	496,725
Capital	6,097,076
TRS Reserve	521,794
Insurance	290,000
	<u>9,489,086</u>
Debt Service Fund:	
Debt Service	<u>19,768</u>
Total Restricted Funds	<u>\$ 9,508,854</u>

- c. *Committed* – Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority, i.e., the Board of Education. The District has no committed fund balances as of June 30, 2022.
- d. *Assigned* – Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances are classified as Assigned Fund Balance in the General Fund and Capital Fund. Encumbrances reported in the General Fund amounted to \$547,394. Additionally, \$2,930,658 is appropriated to the 2022-2023 operating budget as Assigned Fund Balance.
- e. *Unassigned* – Includes all other General Fund net assets that do not meet the definition of the above four classifications and are deemed to be available for general use by the District.

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

PINE PLAINS CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

III. Order of Use of Fund Balance:

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

U. New Accounting Standards:

The District has adopted all current Statements of the Governmental Accounting Standards Board "GASB" that are applicable. The following standards issued by GASB:

In June 2017, GASB issued Statement 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were 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 an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The District implemented the standard for the year ended June 30, 2022.

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. This statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice. This statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer, establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations and improves note disclosures. The requirements for this statement, as delayed by GASB 95, are effective for reporting periods beginning after December 15, 2021. The School District is required to implement this standard for the year ending June 30, 2023. The District has not evaluated the effect of GASB 91 on its financial statements.

PINE PLAINS CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. This statement addresses a variety of topics including leases, intra-entity transfers, fiduciary activities, public risk pools/reinsurance recoveries, fair value measurements, and derivative instrument technology. The requirements of this statement, as delayed by GASB 95, are effective for reporting periods beginning after June 15, 2021. The District implemented the standard for the year ended June 30, 2022. The implementation did not have a significant impact on the District's financial statements.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements "PPPs". As used in this statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital assets (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which GASB defines in this statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This statement also provides guidance for accounting and financial reporting for availability payment arrangements ("APAs"). As defined in this statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this statement are effective for fiscal years beginning after June 15, 2022. The School District is required to implement this standard for the year ending June 30, 2023. The District has not evaluated the effect of GASB 94 on its financial statements.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements ("SBITAs") for government end users. This statement (1) defines a "SBITA"; (2) establishes that a SBITA results in a right-to-use subscription asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Under this statement, a government generally should recognize a right-to-use subscription asset and corresponding subscription liability. The requirements of this statement are effective for fiscal years beginning after June 15, 2022. The School District is required to implement this standard for the year ending June 30, 2023. The District has not evaluated the effect of GASB 96 on its financial statements.

PINE PLAINS CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

In June 2020, GASB issued 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 Supersession of GASB Statement No 32. The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit plans, and employee benefit plans other than pension plans or other postemployment benefit plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code “IRC” Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution other postemployment benefit plan, or another employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform. The requirements of this statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution other postemployment benefit plans, or other employee benefit plans and (2) limit the applicability of the financial burden criteria, are effective immediately. The requirements of this statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a component unit, the requirements of this statement that provide for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. The District implemented this standard for the year ended June 30, 2022. The implementation did not have significant impact on the District’s financial statements.

In October 2021, GASB issued Statement No. 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

PINE PLAINS CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

local governments. The requirements of this statement are effective for fiscal years ending after December 15, 2021. The School District implement this standard for the year ended June 30, 2022. The implementation did not have significant impact on the District's financial statements.

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. This statement addresses a variety of topics, including derivative instruments, leases, PPP arrangements, SBITAs, LIBOR, and pledges of future revenues. Many of the requirements are effective immediately. The requirements related to leases, PPPs, and SBITAs are effective for years beginning after June 15, 2022. The requirements related to financial guarantees and derivative instruments are effective for fiscal years beginning after June 15, 2024. The School District is required to implement this standard for the year ending June 30, 2023. The District has not evaluated the effect of GASB 99 on its financial statements.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. This statement provides clarification and guidance for accounting and financial reporting related to accounting changes and error corrections ("ACEC"). GASB 100 also addresses disclosure requirements for ACEC, and how these items should be presented in Required Supplementary Information and Supplementary Information. The requirements of this statement are effective for ACECs made in fiscal years beginning after June 15, 2023. The School District is required to implement this standard for the year ending June 30, 2024. The District has not evaluated the effect of GASB 100 on its financial statements.

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This statement amends the recognition, measurement, and disclosure requirements for compensated absences. The requirements of this statement are effective for fiscal years beginning after December 15, 2023. The School District is required to implement this standard for the year ending June 30, 2025. The District has not evaluated the effect of GASB 101 on its financial statements.

NOTE 2 - CHANGE IN ACCOUNTING PRINCIPLE:

For the fiscal year ended June 30, 2022, the District implemented GASB Statement No. 87, *Leases*. Beginning net position was reduced by \$10,602 as a result of implementing this standard.

PINE PLAINS CENTRAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 3 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUNDS 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 Assets 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.

See the Reconciliation on Pages 6 and 9 of the financial statements.

- The costs of building and acquiring capital assets (lands, 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, and their original costs are expensed annually over their useful lives. See *Note 6 – Capital Assets* in these notes to the financial statements for information on the net capital assets.

Because the governmental funds focus on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (for example, receivables) are offset by deferred revenue in the governmental funds, and thus are not included in the fund balance. They are, however, included in the net assets of the governmental activities.

Long-term liabilities are reported in the Statement of Net Position, but not in the governmental funds, because they are not due and payable in the current period. Balances at year end were:

Pension Differences:

Pension differences occur as a result of the 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.

PINE PLAINS CENTRAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 3 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUNDS 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 three broad categories:

A. Long-Term Revenue/Expense Differences:

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

B. 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.

C. 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. These reconciliations can be found on Pages 8 and 10 of the financial statements.

D. Pension Differences:

Pension 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.

E. OPEB 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.

PINE PLAINS CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 4 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

A. Budgetary Procedures and Budgetary Accounting:

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:

-- General Fund

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 will lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists, which was not determined at the time the budget was adopted.

Supplemental appropriations occurred during the year and are detailed below:

Adopted Budget	\$ 34,176,675
Prior Year's Encumbrances	<u>209,531</u>
Original Budget	<u>34,386,206</u>
 Budget Revisions	
Appropriated Fund Balance	<u>2,767,525</u>
 Final Budget	<u><u>\$ 37,153,731</u></u>

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

Special Revenue Funds have not been included in the comparison because they do not have legally authorized (appropriated) budgets.

Budgets are established and used for individual capital project fund expenditures as approved by a special referendum of the District's voters.

PINE PLAINS CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 4 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED):

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 project.

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.

NOTE 5 – CASH AND CASH EQUIVALENTS – CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE, AND FOREIGN CURRENCY RISKS:

A. Cash:

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.

As of June 30, 2022 \$-0- of the District's bank balance of \$3,029,826 was exposed to custodial credit risk as follows:

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

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 \$1,701,036 in government funds.

PINE PLAINS CENTRAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 5 – CASH AND CASH EQUIVALENTS – CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE, AND FOREIGN CURRENCY RISKS (CONTINUED):

B. Investment Pool:

The School District participates in a multi-municipal cooperation investment pool agreement pursuant to New York State Municipal Law Article 5-G, Section 119-0, whereby it holds a portion of the investments in cooperation with other participants. At June 30, 2022, the School District held \$7,934,693 in investments consisting of various investments in securities issued by the United States and its agencies. The investments are highly liquid and considered to be cash equivalents. The investment pool is categorically exempt from the New York State collateralization requirements.

PINE PLAINS CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 6 – CAPITAL ASSETS:

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

	Restated Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental Activities:				
Capital Assets that are Not Depreciated:				
Land	\$ 53,500	\$ -	\$ -	\$ 53,500
Construction in Progress	<u>4,570,593</u>	<u>2,761,519</u>	<u>(4,628,169)</u>	<u>2,703,943</u>
Total Non-Depreciable Historical Cost	<u>4,624,093</u>	<u>2,761,519</u>	<u>(4,628,169)</u>	<u>2,757,443</u>
Capital Assets that are Depreciated:				
Buildings/Land Improvement	33,324,626	4,776,122	-	38,100,748
Furniture and Equipment - Restated	887,744	26,614	(23,350)	891,008
Vehicles	<u>3,198,448</u>	<u>154,729</u>	<u>(293,012)</u>	<u>3,060,165</u>
Total Depreciable Historical Cost	<u>37,410,818</u>	<u>4,957,465</u>	<u>(316,362)</u>	<u>42,051,921</u>
Less Accumulated Depreciation:				
Building/Land Improvement	14,226,047	773,044	-	14,999,091
Furniture and Equipment - Restated	389,163	152,759	(23,350)	518,572
Vehicles	<u>1,832,106</u>	<u>291,086</u>	<u>(250,330)</u>	<u>1,872,862</u>
Total Accumulated Depreciation	<u>16,447,316</u>	<u>1,216,889</u>	<u>(273,680)</u>	<u>17,390,525</u>
Total Depreciable Historical Cost, Net	<u>\$ 25,587,595</u>	<u>\$ 6,502,095</u>	<u>\$ (4,670,851)</u>	<u>\$ 27,418,839</u>
Intangible Right-To-Use Assets:				
Leased Equipment - Restated	\$ 1,229,793	\$ 185,147	\$ -	\$ 1,414,940
Less Accumulated Amortization - Restated	<u>825,553</u>	<u>52,253</u>	<u>-</u>	<u>877,806</u>
Total Non-Depreciable Historical Cost	<u>\$ 404,240</u>	<u>\$ 132,894</u>	<u>\$ -</u>	<u>\$ 537,134</u>

PINE PLAINS CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 6 – CAPITAL ASSETS (CONTINUED):

Depreciation expense was charged to	
Governmental Functions as Follows:	
General Support	\$ 65,249
Instruction	866,866
Transportation	276,822
Cafeteria	<u>7,952</u>
	<u>\$ 1,216,889</u>

Amortized expense was charged to	
Governmental Functions as Follows:	
General Support	\$ 2,340
Instruction	24,840
Transportation	<u>25,073</u>
	<u>\$ 52,253</u>

NOTE 7 – INTANGIBLE RIGHT -TO-USE ASSETS:

In fiscal year 2022, the District implement the guidance on GASB No. 87, *Leases*, and recognized the value of technology equipment leased under long-term contracts.

The District leases a variety of network printers and technology equipment from Ulster County BOCES as well as Dutchess County BOCES.

During fiscal year 2022, the District utilized onetime payment agreement for technology equipment, such as server and switches with a useful life of 5 years, in total of \$185,147. Payment is due in full upon delivery of the technology equipment.

As of June 30, 2022, the District had two lease agreements in place for postage machine and radios.

In November 2020, the District entered into a lease agreement for 5 radios in the amount of \$100,293. The right-of-use asset is being amortized over a period of 48 months.

In July 2019, the District entered into a new lease agreement for 1 postage machine in the amount of \$12,660. The right-of-use asset is being amortized over a period of 60 months.

PINE PLAINS CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 8 – INTANGIBLE RIGHT -TO-USE LIABILITIES:

In fiscal year 2022, the District implemented the guidance of GASBS No. 87, *Leases*, for accounting and reporting leases that had previously been reported as operating leases.

In November 2020, the District entered into a lease agreement for 5 radios in the amount of \$100,293. The right-of-use asset is being amortized over a period of 48 months. For purposes of discounting future payments on the 2021 lease, the District used the interest rate (3.25%) on its financing agreements to determine an appropriate discount rate. A minimum monthly payment in the amount of \$2,225 is due.

In July 2019, the District entered into a lease agreement for 1 postage machine in the amount of \$12,660. The right-of-use asset is being amortized over a period of 60 months. For purposes of discounting future payments on the 2022 lease, the District used the interest rate (3.25%) on its financing agreements to determine an appropriate discount rate. A minimum monthly payment in the amount of \$211 is due, plus additional charges for excess usage and excluding applicable taxes.

The leased equipment and accumulated amortization of the right-to-use assets are outlined in Note 7.

PINE PLAINS CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 8 – INTANGIBLE RIGHT -TO-USE LIABILITIES (CONTINUED):

Minimum lease payments over the next five years include:

2020 Radios Lease			
	Prinicpal	Intrest	Total
2023	\$ 26,700	\$ 1,575	\$ 26,700
2024	26,700	746	26,700
2025	26,700	60	2,270
2026	2,210	-	-
2027	-	-	-
Totals	<u>\$ 82,310</u>	<u>\$ 2,381</u>	<u>\$ 55,670</u>

2019 Postage Machine			
	Prinicpal	Intrest	Total
2023	\$ 2,532	\$ 130	\$ 2,662
2024	2,532	51	2,583
2025	2,532	1	2,533
2026	1,753	-	1,753
2027	-	-	-
Totals	<u>\$ 9,349</u>	<u>\$ 182</u>	<u>\$ 9,531</u>

Totals			
	Prinicpal	Intrest	Total
2023	\$ 29,232	\$ 1,705	\$ 29,362
2024	29,232	797	29,283
2025	29,232	61	4,803
2026	3,963	-	1,753
2027	-	-	-
Totals	<u>\$ 91,659</u>	<u>\$ 2,563</u>	<u>\$ 65,201</u>

PINE PLAINS CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 8 – LONG-TERM DEBT:

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

	Beginning			Ending	Amounts Due
	Balance	Issued	Redeemed	Balance	Within One
					Year
Other Liabilities:					
Teacher's Retirement System	\$ 1,006,043	\$ 1,266,027	\$ 1,006,043	\$ 1,266,027	\$ 1,266,027
Employee's Retirement System	146,813	165,599	146,813	165,599	165,599
Compensated Absences	158,488	-	-	158,488	-
Lease Payable	118,306	-	26,647	91,659	26,647
Other Post-Employment Benefits	200,266,974	-	57,155,972	143,111,002	-
Total Other Liabilities	<u>201,696,624</u>	<u>1,431,626</u>	<u>58,335,475</u>	<u>144,792,775</u>	<u>1,458,273</u>
Total Long-Term Liabilities	<u>\$201,696,624</u>	<u>\$ 1,431,626</u>	<u>\$ 58,335,475</u>	<u>\$144,792,775</u>	<u>\$ 1,458,273</u>

NOTE 8 – INTERFUND BALANCES AND ACTIVITY:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	\$ 813,204	\$ 73,834	\$ 188,523	\$ 2,568,816
Non-Major Funds	73,834	813,204	2,568,816	188,523
Total Government Activities	887,038	887,038	2,757,339	2,757,339
Fiduciary Agency Fund	-	-	-	-
Totals	<u>\$ 887,038</u>	<u>\$ 887,038</u>	<u>\$ 2,757,339</u>	<u>\$ 2,757,339</u>

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Assets.

In the normal course of its operations, the District budgets for and transfers monies between funds for these budgeted purposes.

Additional loans will occur between funds to mitigate the effects of cash flow, such as in the Special Aid Fund where-in project advances generally do not keep pace with costs and the General Fund has to “loan” cash dollars to run the programs. In the case of the Capital Fund, loans will occur in advance of obtaining the final funding through bond proceeds. In addition, in the case of the Capital Fund, interest earned on borrowed funds becomes payable to the Debt Service Fund for the future reduction of debt service payments. In the case of the Agency Fund, most if not all, fringe benefits are advanced from the General Fund and result in the need to reflect a due from both the Special Aid Fund and the School Lunch Fund for the applicable payroll.

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

PINE PLAINS CENTRAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 9 – PENSION PLANS:

A. General Information:

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

B. Plan Descriptions and Benefits Provided:

I. Teachers' Retirement System "TRS":

This is a cost-sharing, multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10 member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The System's financial statements are prepared using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable. Investments are recognized at fair value. TRS issues a publicly available financial report that contains financial statements and required supplementary information. That report, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by refer to the NYSTRS Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org.

II. Employees' Retirement System "ERS":

This is a cost-sharing, multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System.

PINE PLAINS CENTRAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 9 – PENSION PLANS (CONTINUED):

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 maintains records and accounts, and prepares financial statements using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable. Investments are recognized at fair value. The System is included in the State’s financial report as a pension trust fund. That report, including information with regards to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The Systems are noncontributory except for employees who joined after July 26, 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 3.0 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 scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers’ contributions based on salaries paid during the Systems’ fiscal year ending March 31. 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 actuarially determined contributions required, and were as follows:

	ERS	TRS
2021-2022	\$ 547,231	\$ 992,631
2020-2021	\$ 489,053	\$ 912,363
2019-2020	\$ 478,061	\$ 1,037,531

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

PINE PLAINS CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 9 – PENSION PLANS (CONTINUED):

C. 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 asset/(liability) 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. The District's proportion of the net position 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.

	ERS	TRS
Actuarial Valuation Date	4/1/2021	6/30/2021
Net Pension Asset/(Liability)	\$ (967,305)	\$ (10,634,215)
District's Portion of the Plan's Total		
Net Pension Asset/(Liability)	0.0118331%	0.061366%

For the year ended June 30, 2022, the District recognized pension expense (credits) of \$70,519 ERS and \$585,448 TRS.

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences Between Expected and Actual Experience	\$ 73,255	\$ 1,465,814	\$ 95,016	\$ 55,249
Changes of Assumptions	1,614,324	3,497,816	27,240	619,412
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	3,167,519	11,129,806
Changes in Proportion and Differences Between the District's Contributions and Proportionate Share of Contributions	48,812	190,037	25,949	121,813
District's Contributions Subsequent to the Measurement Date	175,300	1,266,027	-	-
Total	<u>\$ 1,911,691</u>	<u>\$ 6,419,694</u>	<u>\$ 3,315,724</u>	<u>\$ 11,926,280</u>

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2022.

PINE PLAINS CENTRAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 9 – PENSION PLANS (CONTINUED):

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

	ERS	TRS
Year Ended:		
2023	\$ (230,268)	\$ (1,348,540)
2024	(353,216)	(1,587,671)
2025	(827,637)	(2,007,668)
2026	(168,213)	(2,664,984)
2027	-	486,681
Thereafter	-	349,568
	<u>\$ (1,579,334)</u>	<u>\$ (6,772,614)</u>

D. 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 valuations used the following assumptions:

	ERS	TRS
Measurement Date	March 31, 2022	June 30, 2021
Actuarial Valuation Date	April 1, 2021	June 30, 2020
Interest Rate	5.90%	6.95%
Salary Scale	4.40%	5.18%-1.95%
Decerement Tables	April 1, 2015 - March 31, 2020	July 1, 2015 - June 30, 2020
	System's Experience	System's Experience
Inflation Rate	2.70%	2.40%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2020. For TRS, annuitant mortality rates are based on July 1, 2015 – June 30, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP 2019.

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

The long term rate of return on pension plan investments was determined using a building block method in which the best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each

PINE PLAINS CENTRAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 9 – PENSION PLANS (CONTINUED):

major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by each of the target asset allocation percentages and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

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

Measurement Date	ERS	ERS	TRS	TRS
	March 31, 2022	March 31, 2022	June 30, 2021	June 30, 2021
	Target	Long Term	Target	Long Term
	Allocation	Expected Real	Allocation	Expected Real
		Rate of Return		Rate of Return
Asset Type				
Domestic Equity	32%	3.30%	3.30%	6.80%
International Equity	15%	5.85%	5.81%	7.60%
Private Equity	10%	6.50%	6.50%	10.00%
Real Estate	9%	5.00%	5.00%	6.50%
Alternative Investments	3%	4.10%	4.10%	7.10%
Total Equities	69%		25%	
Domestic Fixed Income Securities	23%	0.00%	16%	1.30%
Global Fixed Income Securities	0%	0.00%	2%	0.80%
Real Assets	3%	5.58%	5.58%	0.00%
Bonds and Mortgages	0%	0.00%	7% - 1%	3.3% - 3.8%
Short-Term	1%	-1.00%	1%	-0.20%
Inflation-Indexed Bonds	4%	3.78%	3.78%	5.90%
Total Fixed Income	31%		36%	
Total	100%		61%	

E. Discount Rate:

The discount rate used to calculate the total pension liability was 5.9% for ERS and 7.10% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. was applied to all periods of projected benefit payments to determine the total pension liability.

PINE PLAINS CENTRAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 9 – PENSION PLANS (CONTINUED):

F. Sensitivity of the Proportionate Share of the Net Pension to the Discount Rate Assumption:

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.90% for ERS and 6.95% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage point lower (4.9% for ERS and 5.95% for TRS) or 1-percentage point higher (6.9% for ERS and 7.95% for TRS) than the current rate:

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
ERS			
Employer's Proportionate Share of the Net Pension (Asset) Liability	<u>\$ 2,489,833</u>	<u>\$ (967,305)</u>	<u>\$ (3,859,034)</u>

	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
TRS			
Employer's Proportionate Share of the Net Pension (Asset) Liability	<u>\$ (1,115,906)</u>	<u>\$ (10,634,215)</u>	<u>\$ (18,633,663)</u>

G. Pension Plan Fiduciary Net Position:

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

	(Dollars in Thousands)	
	ERS	TRS
Valuation Date	4/1/2021	6/30/2020
Employers' Total Pension Liability	\$ 223,874,888	\$ 130,819,415
Plan Net Position	<u>232,049,473</u>	<u>148,148,457</u>
Employers' Net Pension Liability/(Asset)	<u>\$ (8,174,585)</u>	<u>\$ (17,329,042)</u>

Plan Net Position as a Percentage to the Systems' Total Pension Liability/(Asset)	103.65%	113.25%
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PINE PLAINS CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 9 – PENSION PLANS (CONTINUED):

H. Payables to the Pension Plan:

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2022 represent the projected employer contribution for the period of April 1, 2022 through June 30, 2022 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2022, amounted to \$175,300.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2022, are paid to the System in September, October and November 2022 through a state aid intercept. Accrued retirement contributions as of June 30, 2022, represent employee and employer contributions for the fiscal year ended June 30, 2022, based on paid TRS wages multiplied by the employer's contribution rate, 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 \$1,266,027.

NOTE 10 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS:

A. General Information about the OPEB Plan:

Plan Description – The District's defined benefit OPEB plan, provides OPEB for all permanent full-time general and public safety employees of the District. The plan is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

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

Employees Covered by Benefit Terms – At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	187
Inactive employees entitled to but not yet receiving benefit payments	-
Active Employees	<u>223</u>
	<u>410</u>

PINE PLAINS CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 10 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS (CONTINUED):

B. Total OPEB Liability:

The District's total OPEB liability of \$143,111,002 was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date. 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:

Salary Increases	3.00%, average, including inflation
Discount Rate	3.77%
Healthcare Cost Trend Rates	9.0% for 2018, decreasing 1.0% per year to an ultimate rate of 5.0% for 2022 and later years

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 GA AA 20 Years) as of June 30, 2022.

Mortality rates were based on the Pub-2010 Public Retirement Plans Male and Female Total Dataset Headcount-Weighted Mortality tables, as appropriate, with adjustments for mortality improvements based on Scale MP-2018.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2021 through June 30, 2029.

C. Changes in the Total OPEB Liability:

Balance at June 30, 2021	\$ 200,266,974
Changes for the Year:	
Service Cost	2,449,305
Interest	7,484,889
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes in Assumptions or Other Inputs	(63,632,578)
Benefit Payments	(3,457,588)
Net Changes	<u>(57,155,972)</u>
Balance at June 30, 2022	<u>\$ 143,111,002</u>

PINE PLAINS CENTRAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 10 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS (CONTINUED):

Changes of assumptions and other inputs reflect a change in the discount rate from 2.14 percent in 2021 to 2.77 percent in 2022.

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 (1.77 percent) or 1 percentage point higher (3.77 percent) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
Total OPEB Liability	<u>\$ 177,216,019</u>	<u>\$ 143,111,002</u>	<u>\$ 118,059,700</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (1 percent) or 1 percentage point higher (3 percent) than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	<u>\$ 115,871,828</u>	<u>\$ 143,111,002</u>	<u>\$ 180,331,315</u>

D. OPEB Expenses 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 \$10,227,252. 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	\$ -	\$ -
Changes of Assumptions or Other Inputs	36,449,918	64,435,202
Contributions Subsequent to the Measurement Period	-	-
Total	<u>\$ 36,449,918</u>	<u>\$ 64,435,202</u>

PINE PLAINS CENTRAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 10 – POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS (CONTINUED):

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

Fiscal Year Ending June 30,	Amount
2023	\$ 293,058
2024	293,058
2025	(1,726,076)
2026	(8,732,782)
2027	(11,042,258)
Thereafter	(6,777,226)
	<u>\$ (27,692,226)</u>

NOTE 11 – RISK MANAGEMENT:

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.

The District participates in the Dutchess Educational Health Insurance 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 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 pool obtains independent coverage for insured events and the District has essentially transferred all related risk to the pool.

The District incurs costs related to a workers' compensation insurance plan (Plan) sponsored by Dutchess County BOCES. The Plan's objectives are to formulate, develop, and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss control program. Districts joining the Plan must remain members for a minimum of five (5) years; a member may withdraw from the plan after that time by providing 180 days written notice. Plan members include 13 districts. Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, the members would be responsible for the Plan's liabilities. The Plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the Plan as direct insurer of the risks reinsured. The Plan establishes a liability for both future payments of losses and related claim events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims cost depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. Financial statements for the Plan are available from the administrator at 5 BOCES Road, Poughkeepsie, New York 12601.

PINE PLAINS CENTRAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022

NOTE 12 – CONTINGENT LIABILITIES:

A. Litigation:

There are currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the District if existing assessment rolls are modified based on the outcome of the litigation proceedings. However, the amount of these possible refunds cannot be determined at the present time. Any payments resulting from adverse decisions will be funded in the year the payment is made.

B. Other:

The District received grants, which are subject to audit by agencies of the State and Federal governments. Such audits may result in disallowances and a request for a return of funds. Based on prior audits, the District's administration believes disallowances, if any, will be immaterial and there have been no disallowances at the District for over fifteen years.

1. The District's Superintendent, and Assistant Superintendent are closely watching NYSED's guidance and recommendations to keep staff, students, and the community safe.

The duration of the effects of the virus and its economic impact are not known at this time, however, the longer this health issue affects the District the more costly it may become.

SUPPLEMENTARY INFORMATION

PINE PLAINS CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP) BASIS AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance With Budgetary Actual
REVENUES				
Local Sources:				
Real Property Taxes	\$ 23,654,071	\$ 23,654,071	\$ 23,638,234	\$ (15,837)
Other Tax Items	1,100,972	1,100,972	1,105,403	4,431
Charges for Services	65,000	65,000	130,735	65,735
Use of Money and Property	50,000	50,000	32,542	(17,458)
Sale of Property and Compensation for Loss	-	114,867	115,474	607
Miscellaneous	130,000	140,580	179,221	38,641
Interfund Revenues	-	-	-	-
Total Local Sources	25,000,043	25,125,490	25,201,610	76,119
State Sources	8,031,532	8,031,532	7,969,406	(62,126)
Federal Sources	70,000	70,000	221,636	151,636
Retirement System Credits	-	-	-	-
Total Revenues	33,101,575	33,227,022	33,392,652	165,630
OTHER FINANCING SOURCES				
Transfers from Other Funds	-	-	188,523	188,523
Appropriated Reserves	635,200	3,277,277	-	(3,277,277)
Designated Fund Balance and Encumbrances				
Carried Forward From Prior Year	439,900	649,431	-	(649,431)
Total Revenues and Other Financing Sources	\$ 34,176,675	\$ 37,153,730	\$ 33,581,175	\$ (3,572,555)

PINE PLAINS CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP) BASIS AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-End Encumbrances	Final Budget Variance With Budgetary Actual and Encumbrances
EXPENDITURES					
General Support:					
Board of Education	\$ 48,150	\$ 52,445	\$ 31,387	\$ 10,158	\$ 10,900
Central Administration	308,405	339,660	314,797	1,112	23,751
Finance	531,825	513,419	465,743	32,030	15,646
Staff	171,665	179,451	155,894	2,930	20,627
Central Services	2,069,298	2,250,819	2,003,272	116,548	130,999
Special Items	272,512	279,719	181,522	73,381	24,816
Total General Support	3,401,855	3,615,513	3,152,615	236,159	226,739
Instruction:					
Instruction, Administration and Improvement	1,144,510	1,154,544	1,128,515	1,701	24,328
Teaching - Regular School	8,387,974	8,359,327	7,935,744	23,969	399,614
Programs for Students with Disabilities	3,979,295	3,916,281	3,495,789	18,455	402,037
Occupational Education	433,825	433,825	433,825	-	-
Teaching - Special School	71,100	71,200	26,816	-	44,384
Instructional Media	1,324,535	1,491,040	1,463,147	1,710	26,184
Pupil Services	1,636,386	1,660,733	1,466,115	10,729	183,889
Total Instruction	16,977,625	17,086,951	15,949,950	56,564	1,080,436
Pupil Transportation	2,130,750	2,340,912	2,111,560	83,509	145,843
Community Services	-	-	-	-	-
Employee Benefits	11,414,445	11,440,240	9,088,696	171,162	2,180,382
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Debt Service	-	-	-	-	-
Total Expenditures	33,924,675	34,483,615	30,302,822	547,394	3,633,399
OTHER FINANCING USES					
Operating Transfers Out	252,000	2,670,116	2,568,816	-	101,300
Total Expenditures and Other Uses	\$ 34,176,675	\$ 37,153,731	32,871,638	\$ 547,394	\$ 3,734,699
Net Change in Fund Balances			709,538		
Fund Balance - Beginning, Restated			13,667,726		
Fund Balance - Ending			\$ 14,377,264		

PINE PLAINS CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR OTHER POST-EMPLOYMENT BENEFITS
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total OPEB liability										
Service Cost	\$ 2,449,305	\$ 4,007,256	\$ 2,817,467	\$ 2,477,697	\$ 3,852,205	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	7,484,889	4,454,901	5,291,664	3,733,217	4,043,310	-	-	-	-	-
Changes of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	-	-	-	-	-	-	-	-	-	-
Changes of Assumption or Other Inputs	(63,632,578)	(14,336,905)	25,630,957	54,516,674	-	-	-	-	-	-
Benefit Payments	(3,457,888)	(3,662,470)	(3,260,970)	(3,257,749)	(2,726,824)	-	-	-	-	-
Net Change in Total OPEB Liability	(57,155,972)	(9,737,218)	30,479,118	57,469,830	5,168,691	-	-	-	-	-
Total OPEB Liability - Beginning	200,266,974	210,004,192	179,525,074	122,055,235	116,886,544	-	-	-	-	-
Total OPEB Liability - Ending	\$ 143,111,002	\$ 200,266,974	\$ 210,004,192	\$ 179,525,074	\$ 122,055,235	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	13,956,459	13,956,459	12,938,267	12,072,487	10,635,387	-	-	-	-	-
Total OPEB Liability as a Percentage of Covered-Employee Payroll	1025.41%	1434.94%	1623.12%	1487.06%	1147.63%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

Changes of Assumptions:

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

2022	3.77%
2021	2.14%
2020	2.60%
2019	3.10%
2018	3.50%

* Changes in mortality improvement assumption to a more current scale (e.g. improvement scale MP-2018 form improvement scale AA) increased the liability

* Increases in retiree headcount since the prior valuation increased the liability

10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

In accordance with New York State Law, the District's Defined Benefit OPEB Plan is not administered through a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. Accordingly, the District does not have net assets accumulated in a trust

PINE PLAINS CENTRAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
FOR THE NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM AND
FOR THE NEW YORK STATE TEACHERS' RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2022

LAST 10 FISCAL YEARS*

FOR THE NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM

Measurement Year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
The District's proportion of the net pension liability (asset)	0.0118331%	0.0117381%	0.0121217%	0.0115845%	0.0115124%	0.0114710%	0.0112084%	-	-	-
The District's proportionate share of the net pension liability (asset)	\$ (967,305)	\$ (11,688)	\$ 3,209,891	\$ 820,795	\$ 371,556	\$ 1,077,843	\$ 1,798,975	-	-	-
The District's covered employee payroll	\$ 3,690,689	\$ 3,467,330	\$ 3,574,654	\$ 3,391,591	\$ 3,397,073	\$ 3,358,579	\$ 3,246,541	-	-	-
The District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-26.21%	-0.34%	89.80%	24.20%	10.94%	32.09%	55.40%	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	96.36%	96.27%	98.24%	94.70%	90.70%	-	-	-

* The amounts presented for each fiscal year were determined as of 3/31

FOR THE NEW YORK STATE TEACHERS' RETIREMENT SYSTEM

Measurement Year	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
The District's proportion of the net pension liability (asset)	0.061366%	0.060670%	0.058530%	0.062099%	0.062882%	0.062458%	0.062224%	-	-	-
The District's proportionate share of the net pension liability (asset)	\$(10,634,215)	\$ (1,676,464)	\$ (1,520,611)	\$ (1,122,916)	\$ (477,968)	\$ 668,955	\$ 6,463,067	-	-	-
The District's covered employee payroll	\$ 11,264,117	\$ 10,591,862	\$ 10,628,582	\$ 10,429,103	\$ 9,964,765	\$ 9,637,958	\$ 9,882,356	-	-	-
The District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	94.41%	15.83%	14.31%	-10.77%	4.80%	6.94%	65.40%	-	-	-
Plan fiduciary net position as a percentage of the total pension liability (asset)	113.20%	97.80%	102.20%	101.66%	100.66%	99.01%	110.46%	-	-	-

* The amounts presented for each fiscal year were determined as of 6/30

PINE PLAINS CENTRAL SCHOOL DISTRICT

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF THE LOCAL GOVERNMENT'S CONTRIBUTIONS
FOR THE NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM AND
FOR THE NEW YORK STATE TEACHERS' RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2022

LAST 10 FISCAL YEARS

FOR THE NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM

Measurement Year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 547,231	\$ 489,053	\$ 478,061	\$ 499,634	\$ 507,618	\$ 478,708	\$ 552,231	-	-	-
Contributions in relation to the contractually required contribution	\$ 547,231	\$ 489,053	\$ 478,061	\$ 499,634	\$ 507,618	\$ 478,708	\$ 552,231	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-
The BOCES' covered employee payroll	\$ 3,690,689	\$ 3,467,330	\$ 3,574,654	\$ 3,391,591	\$ 3,397,073	\$ 3,358,579	\$ 3,246,541	-	-	-
Contributions as a percentage of a covered Employee Payroll	14.83%	14.10%	13.37%	14.73%	14.94%	14.25%	17.00%	-	-	-

FOR THE NEW YORK STATE TEACHERS' RETIREMENT SYSTEM

Measurement Year	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 992,631	\$ 912,363	\$ 1,037,531	\$ 991,295	\$ 1,167,870	\$ 1,269,232	\$ 1,385,290	-	-	-
Contributions in relation to the contractually required contribution	\$ 992,631	\$ 912,363	\$ 1,037,531	\$ 991,295	\$ 1,167,870	\$ 1,269,232	\$ 1,385,290	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-
The BOCES' covered employee payroll	\$11,264,117	\$ 10,591,862	\$ 10,628,582	\$ 10,429,103	\$ 9,964,765	\$ 9,637,958	\$ 9,882,356	-	-	-
Contributions as a percentage of a covered employee payroll	8.81%	8.61%	9.76%	9.51%	11.72%	13.17%	14.00%	-	-	-

PINE PLAINS CENTRAL SCHOOL DISTRICT
SUPPLEMENTAL INFORMATION
SCHEDULE OF COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

Supplemental Schedule #5

	Special Aid	Cafeteria	Debt Service	Special Misc Revenue	Total Non-Major
ASSETS					
Cash:					
Unrestricted	\$ 1,707	\$ 164,755	\$ -	\$ 1,760	\$ 168,221
Restricted	-	-	19,768	16,105	35,873
Investments:					
Unrestricted	109,062	-	-	-	109,062
Restricted	-	-	-	-	-
Receivables:					
Taxes	-	-	-	-	-
Due from Other Funds	73,834	-	-	-	73,834
State and Federal Aid	648,918	116,940	-	-	765,858
Due from Other Governments	-	-	-	-	-
Other	-	-	-	-	-
Inventories	-	19,104	-	-	19,104
Deferred Expenditures	-	-	-	-	-
Capital Assets, Net	-	-	-	-	-
Total Assets	<u>\$ 833,520</u>	<u>\$ 300,798</u>	<u>19,768</u>	<u>\$ 17,865</u>	<u>\$ 1,171,952</u>
LIABILITIES					
Payables:					
Accounts Payable	\$ 2,570	\$ -	\$ -	\$ 1,761	\$ 4,331
Accrued Liabilities	-	335	-	-	335
Due to Other Funds	677,714	129,979	-	-	807,693
Due to Other Governments	-	596	-	-	596
Retainage Payable	-	-	-	-	-
Bond Interest and Matured Bonds	-	-	-	-	-
Notes Payable:					
Tax Anticipation	-	-	-	-	-
Revenue Anticipation	-	-	-	-	-
Bond Anticipation	-	-	-	-	-
Deferred Credits:					
Overpayments and Collections in Advance	-	-	-	-	-
Deferred Revenues	153,236	4,068	-	-	157,304
Planned Balance	-	-	-	-	-
Short-Term Liabilities:					
Due to Teachers' Retirement System	-	9,701	-	-	9,701
Due to Employees' Retirement System	-	-	-	-	-
Compensated Absences Payable	-	-	-	-	-
Other Post Employment Benefits Payable	-	-	-	-	-
Judgments & Claims Payable	-	-	-	-	-
Other Liabilities	-	-	-	-	-
Total Liabilities	<u>833,520</u>	<u>144,679</u>	<u>-</u>	<u>1,761</u>	<u>979,960</u>
FUND BALANCES					
Non Spendable	-	19,104	-	-	19,104
Reserved (Specify)	-	-	19,768	16,105	35,872
Committed	-	-	-	-	-
Assigned	0	137,015	-	-	137,015
Unassigned	-	-	-	-	-
Total Fund Balances	<u>0</u>	<u>156,119</u>	<u>19,768</u>	<u>16,105</u>	<u>191,992</u>
Total Liabilities and Fund Balances	<u>\$ 833,520</u>	<u>\$ 300,798</u>	<u>\$ 19,768</u>	<u>\$ 17,865</u>	<u>\$ 1,171,952</u>

PINE PLAINS CENTRAL SCHOOL DISTRICT
SUPPLEMENTAL INFORMATION
SCHEDULE OF COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Special Aid	Cafeteria	Debt Service	Special Misc Revenue	Total Non-Major
REVENUES					
Real Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other Tax Items	-	-	-	-	-
Nonproperty Taxes	-	-	-	-	-
Charges for Services	-	-	-	-	-
Use of Money and Property	-	-	-	-	-
Sale of Property and Compensation for Loss	-	-	-	-	-
Miscellaneous	-	-	-	13,364	13,364
Interfund Revenue	-	-	-	-	-
State Sources	294,583	12,601	-	-	307,184
Medicaid Reimbursement	-	-	-	-	-
Federal Sources	554,301	584,208	-	-	1,138,509
Surplus Food	-	17,322	-	-	17,322
Sales - School Lunch	-	90,192	-	-	90,192
Total Revenues	848,884	704,324	-	13,364	1,566,572
EXPENDITURES					
General Support	-	-	-	-	-
Instruction	880,520	-	-	-	880,520
Pupil Transportation	-	-	-	-	-
Community Service	-	-	-	-	-
Employee Benefits	15,010	97,675	-	-	112,685
Debt Service:	-	-	-	-	-
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Cost of Sales	-	483,717	-	-	483,717
Other Expenditures	-	-	-	28,757	28,757
Capital Outlay	-	-	-	-	-
Total Expenditures	895,530	581,392	-	28,757	1,505,679
Excess (Deficiency) of Revenues Over Expenditures	(46,646)	122,932	-	(15,393)	60,892
OTHER FINANCING SOURCES AND USES					
Proceeds from Debt	-	-	-	-	-
Operating Transfers In	46,646	8,700	-	-	55,346
Operating Transfers (Out)	-	-	-	-	-
Rounding	-	-	-	-	-
Total Other Sources (Uses)	46,646	8,700	-	-	55,346
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	0	131,632	-	(15,393)	116,238
Fund Balances - Beginning of Year, Restated	-	24,488	19,768	31,498	75,754
Fund Balances - End of Year	\$ 0	\$ 156,120	\$ 19,768	\$ 16,105	\$ 191,992

OTHER INFORMATION

PINE PLAINS CENTRAL SCHOOL DISTRICT
SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET
AND SECTION 1318 REAL PROPERTY TAX LAW LIMIT CALCULATION
FOR THE YEAR ENDED JUNE 30, 2022

Supplemental Schedule #7

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	\$ 34,176,675
Add: Prior Year's Encumbrances	<u>209,531</u>
Original Budget	34,386,206
Budget Revisions:	<u>2,767,525</u>
Final Budget	<u>\$ 37,153,731</u>
Next Year's Budget is a (Voter-Approved) Budget of	<u>\$ 35,253,160</u>

SECTION 1318 REAL PROPERTY TAX LAW LIMIT CALCULATION

2020-2021 Expenditure Budget Maximum Allowed	<u>\$ 35,253,160</u>
General Fund Balance Subject to Section 1318 of Real Property Tax Law	
Unrestricted Fund Balance:	
Committed Fund Balance	\$ -
Assigned Fund Balance	3,478,051
Unassigned Fund Balance	<u>1,410,126</u>
Total Unrestricted Fund Balance	<u>4,888,177</u>
Less:	
Appropriated Fund Balance 20-21 Budget	2,930,658
Reserve for Retirement Contribution	-
Designated Bus Purchase	-
Encumbrances Included in Committed and Assigned Fund Balance	<u>547,394</u>
Total Adjustments	<u>3,478,052</u>
General Fund Balance Subject to Section 1318 of Real Property Tax Law	<u>\$ 1,410,125</u>
Actual Percentage	4%

PINE PLAINS CENTRAL SCHOOL DISTRICT
SUPPLEMENTAL INFORMATION
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2022

PROJECT TITLE	Expenditures				Unexpended Balance	Proceeds of Obligation	Methods of Financing			Total
	Original Budget	Revised Budget	Prior Years	Current Year			Federal Aid	State Aid	Local Sources	
General Construction	\$ 7,727,992	\$ 9,081,615	464	\$ 2,621,794	\$ 6,459,357	\$ 2,600,000	\$ 1,353,623	\$ -	\$ 5,127,992	\$ 9,081,615
Gym / Auditorium Project	2,897,160	4,018,985	3,960,945	58,040	-	-	-	-	4,207,160	4,207,160
Smart Schools Bond Act	558,135	589,871	568,961	-	20,910	-	-	568,961	-	568,961
General Construction	100,000	100,000	-	81,684	18,316	-	-	-	100,000	100,000
	11,283,287	13,790,471	4,530,370	2,761,518	6,498,583	2,600,000	1,353,623	568,961	9,435,152	13,957,736

PINE PLAINS CENTRAL SCHOOL DISTRICT
SUPPLEMENTAL INFORMATION
SCHEDULE OF INVESTMENT IN CAPITAL ASSETS, NET OF RELATED DEBT
FOR THE YEAR ENDED JUNE 30, 2022

Capital Assets, Net	\$ <u>27,418,839</u>
Investment in Capital Assets, Net of Related Debt	\$ <u>27,418,839</u>



LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

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

To the Board of Education
Pine Plains Central School District
2829 Church Street
Pine Plains, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pine Plains Central School District (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 6, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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.

RBT CPAS, LLP

Hudson, New York
October 6, 2022

