

**Hastings-on-Hudson Union Free
School District, New York**

Report to Those Charged with Governance

June 30, 2022



**KNOW
GREATER
VALUE**

Prepared by

Jeffrey Shaver, CPA
Partner
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October 11, 2022

Board of Education
Hastings-on-Hudson Union Free School District
27 Farragut Avenue
Hastings-on-Hudson, New York 10706

We have audited the financial statements of the Hastings-on-Hudson Union Free School District, New York ("School District") as of and for the year ended June 30, 2022 and have issued our report thereon dated October 11, 2022.

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated December 18, 2017. Professional standards also require that we communicate to you the following information related to our audit.

We are pleased to be of service to you and the School District and appreciate the opportunity to present our audit findings to you. We are also pleased to discuss other matters which may be of interest to you and to answer any questions you may have.

This information is intended solely for the information and use of Those Charged with Governance and management of the School District, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

PKF O'Connor Davies, LLP
PKF O'Connor Davies, LLP

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Status of the Audit

Audit of Financial Statements

- Audit fieldwork is complete.
- The financial statements have been drafted and reviewed by management.
- We have issued an unmodified report on the financial statements.

Required Communications and Other Matters

Required Item	Comments
Auditor's responsibility under professional standards and planned scope and timing of the audit	We have communicated such information in our engagement letter to you dated December 18, 2017. Generally, these responsibilities include: • Forming and expressing an opinion on the financial statements. • Obtaining <i>reasonable assurance</i> that the financial statements are <i>free of material misstatements</i>, whether caused by error or fraud. • Accumulating and communicating uncorrected misstatements to Those Charged with Governance ("TCWG"). • Maintaining professional skepticism. • Communicating audit related matters that are, in our professional judgment, significant to TCWG.
Supplementary information accompanying the financial statements	Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

Required Item	Comments
Required supplementary information accompanying the financial statements	We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.
Other information in documents containing audited financial statements	Our responsibility as auditors for other information in documents containing the audited financial statements does not extend beyond the financial information identified in the auditors' report, and we are not required to perform any procedures to determine that such other information is properly stated.
Our responsibilities under the Yellow Book	In connection with our audit we performed tests of the Entity's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.
Our responsibilities under Uniform Guidance (Federal Single Audit)	In accordance with Uniform Guidance, we examined, on a test basis, evidence about the Entity's compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Uniform Guidance Compliance Supplement" applicable to each of its major federal programs for the purpose of expressing an opinion on the Entity's compliance with those requirements. While our audit provided a reasonable basis for our opinion, it does not provide a legal determination on the Entity's compliance with those requirements.

Required Item	Comments
Responsibilities of management and TCWG	Management's responsibilities include: • The fair presentation of the financial statements, including the selection of appropriate accounting policies. • Establishing and maintaining effective internal control. • Complying with laws, regulations, grants and contracts. • Providing the auditors with all financial records and related information and a signed representation letter. • Evaluate if there are any conditions or events, considered in the aggregate that raise substantial doubt about the Entity'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. • Setting the proper tone at the top. • Designing and implementing policies and controls to prevent and detect fraud. TCWG are responsible for communicating with the auditors and overseeing the financial reporting process.
Qualitative aspects of accounting practices - Accounting Policies	Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year, except for the adoption of the provisions of Governmental Accounting Standards Board Statement No. 87, "Leases". The District evaluated the impact of the statement and determined the amounts were not material to the financial statements. The accounting policies of the Entity conform to U.S. generally accepted accounting principles as applicable to state and local governments. The Entity's reports are based on all applicable GASB pronouncements. We noted no transactions entered into by the Entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.
Qualitative aspects of accounting practices – Significant Unusual Transactions	No matters have come to our attention that would require us to inform you about the methods used to account for significant unusual transactions.

Required Item	Comments
Qualitative aspects of accounting practices - <i>Accounting Estimates and Management's Judgment</i>	Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the School District's financial statements were: • Actuarial assumptions related to the Other Postemployment Benefit Liability ("OPEB") • Actuarial assumptions and proportionate share calculations related to pension liabilities • Asset lives for depreciable capital assets • Estimates of certain receivable balances and allowances for uncollectible amounts • Estimates for certain operating and long-term liabilities
Qualitative aspects of accounting practices - <i>Financial Statement Disclosures</i>	Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements are: • Other postemployment benefit liabilities payable • Pension plan information • Outstanding bonded indebtedness • Fund balances The financial statement disclosures are neutral, consistent and clear.
Going concern	The auditor is required to communicate with TCWG events or conditions that, when considered in the aggregate; indicate a substantial doubt about the Entity's ability to continue as a going concern for a reasonable period of time. We concur with management's assessment that the Entity will continue as a going concern for one year from the balance sheet date.

Required Item	Comments
Significant risks	Significant risks are defined as risks that require special audit consideration without regard to identified internal controls related to those risks. In most audits, one or more significant risks normally arise. We have identified the following significant risks in connection with our audit. Management override of internal controls Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk is, nevertheless, present in all entities. Our audit procedures did not identify any management override of internal controls. Improper revenue recognition due to fraud Auditing standards require the auditor to ordinarily presume that improper revenue recognition is a fraud risk on all audit engagements unless the auditor can conclude that the risk is not applicable to the entity. The audit procedures applied as a result of the aforementioned significant risks were designed to and have reduced the risk of material misstatement to low. Our audit procedures did not identify any improper revenue recognition due to fraud.
Difficulties encountered in performing the audit	We encountered no significant difficulties in dealing with management in performing and completing our audit.
Corrected and uncorrected misstatements	Professional standards require us to accumulate all known and likely misstatements identified during the audit (including passed adjustments and omitted financial statement disclosures), other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, corrected misstatements that were brought to the attention of management as a result of our audit procedures are also included in Appendix 1.

Required Item	Comments
Disagreements with management	For purposes of this communication, a disagreement with management is a matter, whether or not resolved to our satisfaction, concerning financial accounting, reporting, or auditing, which could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of the audit.
Management representations	We have requested certain representations from management that are included in the management representation letter (see Appendix 2).
Management's consultations with other accountants	In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.
Auditor independence	We affirm that PKF O'Connor Davies, LLP is independent with respect to the Entity in accordance with relevant professional standards.
Significant issues discussed with management prior to retention	We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to retention as the Entity's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Hastings-on-Hudson Union Free School District, New York (the "Entity") internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. Accordingly, we express no such opinion.

Professional standards require that we communicate to you, in writing, all significant deficiencies and/or material weaknesses in internal control that we identify in performing our audit. For this purpose, deficiencies in internal control are categorized as follows:

- 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 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 and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified.

We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

However, we share for your consideration on the following pages other observations about internal control and operations.

This communication is intended solely for the information and use of management and others charged with governance and is not intended to be and should not be used by anyone other than these specified parties. We will be pleased to discuss these communications and comments in further detail at your convenience, or to assist you in implementing the recommendations.

PKF O'Connor Davies, LLP
Harrison, New York
October 11, 2022

Hastings-on-Hudson Union Free School District, New York

Addendum A Control Deficiencies

- **Cash – All Funds**

Although a monthly reconciliation process is in place, formal documentation of the preparer and reviewer is not evident on the monthly bank reconciliations.

Recommendation

Preparer and reviewer signoffs should be evident on the bank reconciliations to formally document the bank reconciliations are being independently prepared and reviewed on a monthly basis.

- **Collateral**

During the audit it was noted that the J.P. Morgan Chase accounts are under collateralized by \$245,841. This presents a potential loss to the School District in the event of bank or institutional failure.

Recommendation

We recommend that the School District monitor cash balances, so they are not under collateralized, and are fully covered.

- **Special Purpose Fund**

Inactive Accounts

The following accounts were inactive during the fiscal year except for interest earnings:

Code	Trust	Balance at June 30,		Special Purpose
		2022	2021	
TE56	Burke Estate Principal	\$ 3,770	\$ 3,770	Restoration for the Burke Estate
TE57	Burke Estate Interest	1,654	1,655	Restoration for the Burke Estate
TE58	T&E Combo Interest	483	499	Variety of Purposes such as Scholarships, gifts for faculty, and staff development
TE58A	Vinod Dabral Soccer Award Interest	233	233	Soccer clinics and soccer team expenditures
TE61	Ruth Barton Scholarship Interest	158	160	Awards for students choosing a career requiring training
TE67	Robert Tucker Lecture Series	6,912	6,912	Open attendance lectures
TE74	Steinway Piano Restoration	757	757	Piano restoration
TE76	Lucy M. Wester Memorial Scholarship	1,035	1,035	Awards for Seniors who plan to attend college
TE80	Plocharski Scholarship	1	1	Award for Students involved in music activities
TE96	Brian Foster Memorial Scholarship	105	105	Scholarship Award in remembrance of Brian Foster

Hastings-on-Hudson Union Free School District, New York

Addendum A Control Deficiencies

- **Special Purpose Fund (Continued)**

Inactive Accounts (Continued)

Recommendation

Management should continue to pursue the purposes for which the accounts were created and appropriately determine their disposition.

Extraclassroom Activity Funds

Extraclassroom Activity Funds, which are authorized by the New York State Department of Education, are an integral part of the educational program of the School District. The following areas were not in compliance with the regulations of the Commissioner of Education:

Middle School Cash Receipts

Not all receipts have formal evidence to substantiate when cash receipts were received and therefore unable to determine if cash receipts are being deposited timely.

Recommendation

Cash must be collected by an employee or a student of the club. The School District should implement a procedure to formally document actual cash receipts, so as to ensure the timeliness of all deposits.

Inactive Clubs

The following clubs were financially inactive during the current year:

Inactive Club	Balance as of June 30,	
	2022	2021
Crossing Borders	6	6
Culinary Club	3,095	3,095
Photography	136	136
Extracurricular	828	828
Middle School Gender Sexuality Alliance	403	403
Student Activity Club-5/6	51	51

Hastings-on-Hudson Union Free School District, New York

Addendum A **Control Deficiencies**

- **Special Purpose Fund** (*Continued*)

Inactive Clubs (Continued)

Recommendation

State Education Regulations provide that the funds of a discontinued activity shall automatically revert to the account of the general student organization or the student council and shall be expended in accordance with that organization's constitution. A determination of the status of financially inactive clubs should be made to determine the proper disposition of funds.

- **Payroll Tax Returns**

Quarterly 941 Federal Tax Return Forms must be submitted within one month of the end of the quarter. The School District does not mail the forms through certified mail, so they don't receive a receipt showing what date the forms were mailed.

Recommendation

School District personnel should mail the forms through certified mail and receive a receipt showing what day they mailed the 941 forms.

- **Segregation of Duties**

During the audit, it was noted that the Payroll Clerk has access to add and delete employees in the payroll system and the Accounts Payable Clerk has access to add vendors.

Recommendation

We recommend that these duties be modified to not allow access to the individuals who run the payroll/accounts payable to ensure proper segregation of duties.

Hastings-on-Hudson Union Free School District, New York

Addendum B **Other Matters**

- **Information Technology**

1. IT Strategy and Planning – Technology Committee Charter

Although the School District has an established Technology Committee that operates in a proactive fashion, a charter for this committee has not been developed. It was noted that this committee provides oversight for all technology initiatives and issues, but the roles and responsibilities of the committee have not been formally documented. In addition, formal meeting minutes are not recorded during Technology Committee meetings.

Recommendation

To ensure that the roles and responsibilities of the Technology Committee are clearly established, we recommend that a formal charter be developed and documented. In addition to the roles and responsibilities of the Committee the Charter should include procedures for:

- Annual review and update of the Technology plan
- Establishing and monitoring the IT budget
- Ensuring that adequate representation for the administrative and user areas within the School District are included in decision-making
- Aligning IT activities with the strategic objectives of the School District
- Review, approval and monitoring of major IT projects
- Providing a structured approach to system selection

2. Governance – Policy Regulations

Although the School District has adopted an Information Security Breach and Notification Policy and a Computer Resources and Data Management Policy, regulations and procedures have not been documented to address the policies.

Recommendation

The School District should document associated regulations and procedures to address the policies described in the Information Security Breach and Notification Policy. In addition, the School District should document procedures governing the use and security of the School District's computer resources and management of computer records. Procedures should address:

- Passwords
- System Administration
- Separation of Duties
- Remote Access
- Data Back-up (including archiving of e-mail)
- Record Retention
- Disaster Recovery Plans

On the Horizon

GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements (“SBITA”)*

A SBITA is defined as a contract that conveys control of the right to use another party's information technology (“IT”) software, alone or in combination with tangible capital assets (the underlying IT assets), as specific in the contract for a period of time in an exchange or exchange-like transaction. The subscription term not only includes the period during which a government has a noncancellable right to use the asset, but also include periods covered by an option to extend or terminate.

Under this Statement, a government generally should recognize the right-to-use subscription asset as an intangible asset and a corresponding subscription liability. The liability should be recognized at the commencement of the subscription term, which is when the subscription asset is placed into service. The liability should be initially measured at the present value of the subscription payments expected to be made during the subscription term. Any future payments should be discounted using the interest rate charged, or if not readily determinable, the government's incremental borrowing rate should be used.

The subscription asset will be measured as the sum of the liability amount, payments made to the vendor prior to commencing the subscription term and any implementation costs, offset by any incentives received from the vendor. The amortization of the subscription asset would then be reported as an outflow of resources over the subscription term.

The Statement does provide an exception for short-term SBITAs, which have maximum contractual terms of 12 months or less, including any option to extend regardless of their probability of being exercised. Any payments for these short-term SBITAs would be recognized as outflows of resources.

Further, the Statement provides for additional disclosure requirements detailing descriptive information about the SBITA, including but not limited to the amount of the subscription asset, accumulated amortization, other payments not included in the measurement liability, principal and interest requirements and any other essential information.

Governments should review this standard early to anticipate what changes might need to be made to policies, accounting procedures, laws and regulations. The provisions of this Statement are **effective for fiscal years beginning after June 15, 2022 (i.e., the School District's financial statements for the year ended June 30, 2023).**

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Appendix 1

Corrected and Uncorrected Misstatements

Hastings-on-Hudson Union Free School District, New York
Audit Adjustments Proposed and Recorded by Management
June 30, 2022

Account	Description	Debit	Credit
General Fund			
To reclass designated for subsequent years for RESERVES			
A910	APPROPRIATED FUND BALANCE	950,000.00	
A827B	ERS Subsequent years		850,000.00
A864A	TAX CERTS - DESIGNATED FOR SUBSEQUENT YEARS		100,000.00
Total		<u>950,000.00</u>	<u>950,000.00</u>
To adjsut ERS accrual and expense based on analysis			
A637	DUE TO STATE ERS	69,947.00	
A 9010.800-00-0000	NYS EMPLOYEES RETIREMENT-EMPLOYEE BENFTS		69,947.00
Total		<u>69,947.00</u>	<u>69,947.00</u>
Debt Service Fund			
To Adjust Fund balance and agree to prior year Financial. Premium from prior year totaling \$198,000 didnt roll into fund balance			
V 9731.700-00-0000	BOND ANTICIPATION NOTE CONSTR-INTRST ON SCHOOL CONSTRUCTIION	198,000.00	
V909	FUND BALANCE, UNRESERVED		198,000.00
Total		<u>198,000.00</u>	<u>198,000.00</u>

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Appendix 2

Management Representation Letter



Hastings-on-Hudson Public Schools

27 Farragut Avenue
Hastings-on-Hudson, New York 10706
Tel: (914) 478-6200 Fax: (914) 478-3293
www.hohschools.org



A National Blue Ribbon District of Excellence

William S. McKersie, Ph.D.
Superintendent of Schools

Melissa I. Szymanski, Ed.D.
Assistant Superintendent for Curriculum & Instruction

Maureen Caraballo
Business Official & Treasurer

October 11, 2022

PKF O'Connor Davies, LLP
500 Mamaroneck Avenue, Suite 301
Harrison, New York 10528

This representation letter is provided in connection with your audit of the financial statements of Hastings-on-Hudson Union Free School District, New York, which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2022, and the respective changes in financial position for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

This representation letter is also provided in connection with your audit of the financial statements of the Extraclassroom Activity Funds of the School District, which comprise the statement of cash receipts, cash disbursements and cash balances as of June 30, 2022 and for the year then ended, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with the basis of accounting prescribed by the New York State Department of Education.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves, as of the date of this letter, the following representations made to you during your audit:

Our Responsibilities

- 1) We acknowledge that we have fulfilled our responsibilities as set forth in the terms of the engagement letter dated May 30, 2018 for:

- a) The preparation and fair presentation of the financial statements in accordance with US GAAP and include all properly classified funds and other financial information of the primary government required by generally accepted accounting principles to be included in the financial reporting School District.
 - a) The preparation and fair presentation of the financial statements of the School District's Extraclassroom Activity Funds in conformity with the accounting principles prescribed by the New York State Department of Education, which is a comprehensive basis of accounting other than US GAAP.
 - b) 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; and
 - c) The design, implementation, and maintenance of internal control to prevent and detect fraud.
- 2) We understand that the term "fraud" refers to intentional acts by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception that results in a misstatement in financial statements. Two types of intentional misstatements are relevant to your audit – misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets. Fraudulent financial reporting involves intentional misstatements, including omissions of amounts or disclosures in financial statements to deceive financial statement users. Misappropriation of assets involves the theft of an School District's assets.
- 3) In regard to the financial statement preparation non-attest services performed by you, we have:
- a) Assumed all management responsibilities.
 - b) Designated individuals within senior management, who have suitable skill, knowledge, or experience to oversee the services.
 - c) Evaluated the adequacy and results of the services performed.
 - d) Accepted responsibility for the result of the services.
- 4) We are further responsible for reviewing, accepting and processing the standard, adjusting, or correcting journal entries that you proposed during the course of your engagement. We confirm that we designated a suitably qualified individual who understands the nature and impact of the proposed entries to the financial statements, and we accept responsibility for the proposed entries that we authorized and processed.
- 5) We acknowledge our responsibility for presenting the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards in accordance with US GAAP, and we believe the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with US GAAP. The methods of measurement and presentation of the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

Financial Statements

- 6) The financial statements referred to above are fairly presented in conformity with US GAAP and include all disclosures necessary for such fair presentation. In that connection, we specifically confirm that:
- a) The School District's accounting policies, and the practices and methods followed in applying them, are appropriate and are as disclosed in the financial statements.
 - b) There have been no changes during the period audited in the School District's accounting policies and practices.

- c) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
- 7) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 8) The following, where they exist, have been appropriately disclosed to you and accounted for and/or disclosed in the financial statements in accordance with the requirements of US GAAP:
 - a) The identity of all related parties and related party relationships and transactions including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b) Guarantees, whether written or oral, under which the School District is contingently liable, if any.
 - c) The effects of all known actual or possible litigation, claims, and assessments.
- 9) We have evaluated events subsequent to the date of the financial statements through the date of this letter, and no such events have occurred which would require adjustment or disclosure in the financial statements. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.
- 10) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the School District's accounts.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices, if applicable.
 - c) Additional information that you have requested from us for the purpose of the audit.
 - d) Unrestricted access to persons within the School District from whom you determined it necessary to obtain audit evidence.
 - e) Completeness and availability of all minutes of the meetings of the Board of Education or summaries of actions of recent meetings for which minutes have not yet been prepared.
 - f) All significant contracts and agreements.
 - g) All documents and records provided electronically are accurate and complete reproductions of the original documents and records.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) There are no deficiencies in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the School District's ability to initiate, authorize, record, process, and report financial data reliably in accordance with US GAAP.
- 14) We have no knowledge of any fraud or suspected fraud that affects the School District and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the School District's financial statements communicated by employees, former employees, regulators, or others.

- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.

Hosting Services

- 17) We acknowledge that electronic portals used during the audit are only a method of transferring data and the data may be deleted by you at any time.
- 18) We are responsible for maintaining our financial and non-financial information, licensing and hosting of any applications, and downloading and retaining anything you uploaded to such portal in a timely manner.

Government—specific

- 19) We have taken timely and appropriate steps to remedy fraud, or noncompliance with provisions of laws, regulations, contracts, and grant agreements, that you have reported to us.
- 20) We have a process to track the status of audit findings and recommendations.
- 21) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 22) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 23) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 24) The School District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources and fund balance or net position.
- 25) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 26) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts and grant agreements that we believe have a material effect on the financial statements.
- 27) There are no violations or possible violations of budget ordinances/resolutions, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 28) As part of your audit, you assisted with preparation of the financial statements and disclosures and schedule of expenditures of federal awards. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably with senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services We have reviewed, approved, and accepted

responsibility for those financial statements and disclosures and schedule of expenditures of federal awards. We also understand that as part of your audit, you prepared various adjusting journal entries, both on the fund and entity-wide level, and acknowledge that we have reviewed and approved those entries and accepted responsibility for them

- 29) The School District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 30) The School District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 31) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- 32) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 33) The financial statements include all fiduciary activities required by GASB Statement No. 84.
- 34) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34, as amended.
- 35) All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 36) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 37) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 38) Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the balance sheet date and have been reduced to their estimated net realizable value.
- 39) Provisions for uncollectible receivables have been properly identified and recorded.
- 40) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 41) We agree with the findings of specialists in evaluating the other postemployment benefit obligation and any other specialists utilized and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to the specialist with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialist.
- 42) We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.

- 43) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 44) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 45) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 46) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 47) Capital assets, including intangible assets, have been evaluated for impairment as a result of significant and unexpected decline in service utility. Impairment loss and insurance recoveries have been properly recorded.
- 48) We have appropriately disclosed the School District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 49) We are following GASB Statement No. 54, paragraph 18, to determine the fund balance classifications for financial reporting purposes.
- 50) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 51) Tax abatement agreements have been properly disclosed in the notes to the financial statements, including the names of all governments involved, the gross amount and specific taxes abated, and additional commitments.
- 52) We have not completed the process of evaluating the impact that will result from adopting the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 87, "Leases", as discussed in Note 2c. The School District is therefore unable to disclose the impact that adopting GASB Statement No. 87 will have on its financial position and the results of its operations when the Statement is adopted.
- 53) With respect to federal award programs:
- a) We are responsible for understanding and complying with and have complied with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"), including requirements relating to preparation of the schedule of expenditures of federal awards.
 - b) We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards (SEFA) and related disclosures in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.

- c) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- d) We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
- e) We are responsible for establishing, designing, implementing and maintaining, and have established, designed, implemented and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- f) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- g) We have received no requests from a federal agency to audit one or more specific programs as a major program.
- h) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement* (including its Addendum), relating to federal awards and confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards.
- i) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditors' report.
- j) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditors' report.
- k) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR Part 200, Subpart E).
- l) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- m) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- n) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- o) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditors' report.
- p) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditors' report.
- q) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.

- r) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through School District, as applicable.
- s) We have charged costs to federal awards in accordance with applicable cost principles.
- t) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- u) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- v) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- w) We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.
- x) We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

Signature: _____

Title: _____

Signature: _____

Title: _____

Appendix 3

About PKF O'Connor Davies, LLP

FIRM OVERVIEW

Founded in 1891, PKF O'Connor Davies has evolved from an accounting firm to a corps of high-caliber professionals that delivers to a global and growing client base a complete range of audit, tax and advisory services as well as insights and expertise at the highest level. As our business has grown, our commitment to active value creation has allowed us to connect our clients to sound business advice, key players and resources across diverse industries.

An Acknowledged Global Leader

Not only are we one of the nation's most rapidly growing accounting and advisory firms, we are also the lead North American firm in the growing PKF global network of independent accounting and advisory firms. This enables us to provide clients with preferred access to top-tier experts and firms in over 400 locations, in 150 countries around the world. It also establishes us as the primary referral point for international businesses with needs in North America, an advantage for our domestic clients seeking connections outside the U.S.

Active Partner Involvement Dedicated Engagement Teams

We have built strong relationships with our clients by being proactive, thorough and efficient. Firm partners are involved in the day-to-day management of engagements, ensuring a high degree of client service and cost effectiveness. Multi-disciplinary teams ensure solutions are customized to address specific needs and integrated for greater efficiency.

A Higher Standard: Beyond Passive Value Calculation to Active Value Creation

Our focus on value has driven our growth, propelling PKF O'Connor Davies to the Top 26 on *Accounting Today's* 2022 "Top 100 Firms" list and gaining us acclaim as one of the country's fastest-growing firms. With unmatched client focus, we unlock genuine value hidden at key connection points in every engagement within regional, national and international arenas. Through these connections, our team of specialists continually drives efficiencies, uncovers opportunities and manages risk – delivering value where others can't.

Industry Recognition

- **Ranked 26 of "2022's Top 100 Firms"**
– *Accounting Today*, 2022
- **Ranked 6 of the "Top Firms in the Mid-Atlantic"**
– *Accounting Today*, 2022
- **"America's Best Tax and Accounting Firms"**
– *Forbes*, 2022
- **"Best Business Consulting Firm for Family Offices"**
– *Private Asset Management Awards*, 2022
- **"Best Accountancy Advisor"**
– *Family Wealth Report Awards*, 2022
- **"Best Family Office Management Consultancy"**
– *Family Wealth Report Awards*, 2022
- **"Best Accounting Firms to Work For"**
– *Accounting Today*, 2021
- **"Best Places to Work in New Jersey"**
– *NJBIZ*, 2021
- **Ranked #2 "Best Accounting Internship"**
– *Vault*, 2021
- **Ranked 15 of the 50 "Best Accounting Employers to Work for in North America"**
– *Vault*, 2022

KNOW GREATER VALUE®

Agility, Responsiveness and Recognition

Since our founding, PKF O'Connor Davies has maintained its commitment to gaining a deep understanding of each client's operations and financial history in order to help meet their every challenge and objective. We fulfill this mission by providing resources that match those of larger firms in scope – but with the agility only a mid-sized firm such as ours can demonstrate...and yet, we still rank among them. Our services include:

Accounting and Assurance Services

- Accounting Outsourcing
- Agreed-Upon Procedures (AUPs)
- Audits, Reviews and Compilations
- Elite Accounting Services
- Employee Benefit Plans
- Endowment Fund Accounting
- International Financial Reporting Standards (IFRS)
- IT Audit & Cybersecurity Reviews
- Public Company Accounting Oversight Board (PCAOB)
- Public Sector Audits & Compliance

International Services

- China Desk
- General Data Protection Regulation (GDPR)
- German Desk
- Transfer Pricing

Investment Banking Services

- Acquisition Advisory
- Exit Readiness and Transaction Planning
- Sell-Side Advisory

Tax Compliance and Planning Services

- Employee Benefit Planning & Tax Compliance
- International Tax Services
- IRS Representation & Tax Controversies
- Personal Financial Planning
- Private Foundation Services
- State and Local Tax (SALT)
- Tax Compliance & Reporting
- Tax Research and Strategic Planning
- Tax-Exempt Organizations
- Trust and Estate Planning

Advisory Services

- Bankruptcy & Restructuring
- Cybersecurity & Privacy Advisory Services
- Dark Web Monitoring Services
- Digital Forensic Services
- Family Advisory Services
- Forensic, Litigation and Valuation Services
- Matrimonial Services
- Management Advisory Services
- PPP Loan Forgiveness Services
- Risk Advisory Services
- Specialty Industry Advisory Services
 - Business Solutions
 - Employee Benefit Plan Services
 - Healthcare Advisory Services
 - Hospitality Advisory Services
 - Medical and Dental Advisory Services
 - Public Sector Advisory Services
- Transaction & Financial Advisory Services
- Virtual Chief Information Security Officer Services
- Wealth Services

Family Office Services

- Accounting & Reporting
- Advisory
- Charitable Giving
- Family Advisory Services
- Investment Monitoring & Oversight
- Lifestyle Support
- Personal Financial Management
- Tax Planning
- Wealth Planning



Bethesda, MD | Boston, MA | Cranford, NJ | Harrison, NY | Hauppauge, NY | Middletown, NY |
Mumbai, India | New York, NY | Newburgh, NY (Two Locations) | Palm Beach Gardens, FL |
Poughkeepsie, NY | Providence, RI | Shelton, CT | Stamford, CT | Wethersfield, CT | Woburn, MA |
Woodcliff Lake, NJ

www.pkfod.com

**Hastings-On-Hudson Union Free
School District, New York**

Financial Statements and
Supplementary Information

Year Ended June 30, 2022

Hastings-On-Hudson Union Free School District, New York

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Hastings-On-Hudson Union Free School District, New York

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Independent Auditors' Report

**The Board of Education of the
Hastings-on-Hudson Union Free School District, New York**

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Hastings-on-Hudson Union Free School District, New York ("School District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 School District, as of June 30, 2022, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit for the year ended June 30, 2022 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* for the year ended June 30, 2022 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2022 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 fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2022.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the basic financial statements of the School District as of and for the year ended June 30, 2021 (not presented herein), and have issued our report thereon dated October 6, 2021 which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended June 30, 2021 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2021 financial statements. The information was subjected to the audit procedures applied in the audit of the 2021 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those 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 fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2021.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2022 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 11, 2022

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Hastings-on-Hudson Union Free School District, New York

Management's Discussion and Analysis (MD&A) June 30, 2022

Introduction

Our discussion and analysis of the Hastings-on-Hudson Union Free School District, New York's ("School District") financial performance provides an overview of the School District's financial activities for the year ended June 30, 2022. To enhance your understanding of the School District's financial performance, it should be read in conjunction with the basic financial statements that immediately follow this section.

Financial Highlights

Key financial highlights for fiscal year 2021-2022 are as follows:

- At the close of the current fiscal year, the School District's governmental funds financial statement shows a combined ending fund balance of \$12,733,482, exclusive of a Capital Projects Fund of \$2,128,026, an increase of \$1,770,311 from the prior year.
- The general fund balance at June 30, 2022 is \$11,568,621, an increase of \$1,378,055 from the prior year. New York State Law limits the amount of unassigned fund balance that can be retained by the General Fund to 4% of the ensuing year's budget. At the end of the current fiscal year, this amount for the General Fund was \$2,043,172 or 3.70%. This is within the 4% statutory limit. The increase in fund balance was mostly driven by federal aid reimbursement of COVID expenses incurred in the previous school year, this accounted for over \$625k of the revenue. There was also an unanticipated increase of \$200k in expense driven State Aid as well as a substantial increase in local Sales Tax revenues that accounted for \$300k of the increase. The balance of the variance was due to higher than anticipated tuition revenues for parentally placed and public-school placed students within the District. On the expenditure side of the budget, the changes from adopted to adjusted budget were mostly in the areas of Special Education and employee salary and benefits. Savings were driven by changes in staffing and special education placements.
- During the 2018-2019 fiscal year, the School District received voter authorization to issue bonds for \$18,383,614. During the 21-22 fiscal year, the District repaid the bond anticipation note (BAN) previously issued with proceeds from the fifteen year bond it issued in March of 2022. The School District issued a bond (inclusive of premiums) for \$18,383,614, with the first payment due in fiscal year 2022-23. The work related to this bond has been sustainably completed.
- On the district-wide financial statements, the liabilities and deferred inflows of resources of the School District exceeded the assets and deferred outflows of resources at the close of its most recent fiscal year by \$(63,593,090). This represented a decrease of \$630,019 for the year ended June 30, 2021.
- The School District is committed to provide postemployment benefits to its employees in the form of pensions and healthcare. As a result, the School District has recognized substantial liabilities in the district-wide financial statements for these benefits. As of June 30, 2022, the School District had liabilities of \$81,636,063 for other postemployment benefits recorded in accordance with the provisions of GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*" ("OPEB").

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements, which are comprised of three components: (1) district-wide financial statements, (2) fund financial statements and (3) notes to financial statements. This report also contains combining and individual fund financial statements and schedules in addition to the basic financial statements.

District-Wide Financial Statements

- The *district-wide financial statements* are designed to provide readers with a broad overview of the School District's finances, in a manner similar to a private-sector business.
 - The *statement of net position* presents information on all of the School District's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.
 - The *statement of activities* presents information showing how the School District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned but unused vacation leave, OPEB and net pension liabilities).
 - The *governmental* activities of the School District include instruction, pupil transportation, community services, cost of food sales, other, interest and general administrative support.

The district-wide financial statements can be found on the pages immediately following this section, as the first two pages of the basic financial statements.

Fund Financial Statements

- A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.
- *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.
- Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the School District's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

- The School District maintains six individual governmental funds; General Fund, Special Aid Fund, School Lunch Fund, Special Purpose Fund, Debt Service Fund, and Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Special Aid and the Capital Projects funds, which are considered to be major funds. Data for the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.
- The School District adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund within the basic financial statements to demonstrate compliance with the budget.
- The *Fiduciary Funds* are used to account for assets held by the School District on behalf of others. In accordance with the provisions of GASB Statement No. 84, the School District had no such activity to report in this fund category.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to financial statements can be found following the basic financial statements section of this report.

Other Information

Additional statements and schedules can be found immediately following the notes to the financial statements. These include the required supplementary information for the School District's other postemployment and pension benefit liabilities, the combining statements for the non-major governmental funds and schedules of budget to actual comparisons.

District-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the School District's financial position. In the case of the Hastings-on-Hudson Union Free School District, New York at the close of the current fiscal year, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$63,593,090.

	June 30,	
	2022	2021
Current Assets	\$ 19,533,923	\$ 24,095,132
Net Pension Assets	24,621,950	-
Capital Assets, net	<u>31,787,467</u>	<u>23,220,445</u>
 Total Assets	 <u>75,943,340</u>	 <u>47,315,577</u>
 Deferred Outflows of Resources	 <u>41,706,772</u>	 <u>46,887,544</u>
 Current Liabilities	 4,968,735	 20,280,066
Long-term Liabilities	<u>107,506,976</u>	<u>114,200,241</u>
 Total Liabilities	 <u>112,475,711</u>	 <u>134,480,307</u>
 Deferred Inflows of Resources	 <u>68,767,491</u>	 <u>22,685,885</u>
 Net Position		
Net Investment in Capital Assets	8,581,227	9,048,866
Restricted		
Capital Projects	1,361,552	1,387,559
Debt Service	851,401	587,219
Tax Certiorari	1,832,033	1,598,288
Liability Claims	1,431,205	760,597
Unemployment	150,203	150,083
ERS retirement system contributions	2,334,387	2,233,121
TRS retirement system contributions	652,473	452,111
Special Purposes	229,212	168,078
Unrestricted	<u>(81,016,783)</u>	<u>(79,348,993)</u>
 Total Net Position	 <u>\$ (63,593,090)</u>	 <u>\$ (62,963,071)</u>

Current assets decreased by \$4,561,209 from the prior year. Cash and equivalents and investments decreased by \$5,817,748 primarily due to the capital expenditures of the bond proceeds due to the projects coming to completion. The net pension asset for the TRS increased by \$24,621,950 due to investment gains by the retirement system for its fiscal year ending June 30, 2021.

Long-term liabilities, which consist of general obligation bonds, energy performance contract debt, net pension and OPEB liabilities, decreased by \$6,693,265 from the previous year. The OPEB liability decreased by \$20,995,870 primarily due to an increase in the discount rate. The net pension liabilities to ERS and TRS are now net pension assets due to investment gains for the TRS for its fiscal year ending June 30, 2021 and investment gains for ERS for its fiscal year ending March 31, 2022.

A large component of the School District's net position (\$63,593,090) reflects its investment in capital assets, net of accumulated depreciation and less any related debt that is still outstanding that was used to acquire those assets. The School District uses these capital assets to provide services to students and consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Those assets subject to external restrictions listed above, inclusive of net investment in capital assets of \$8,581,227, constitute \$17,423,693 of net position and \$8,842,466 are comprised of amounts restricted for specific purposes, i.e., payments of tax certiorari claims, capital projects, debt service, retirement contributions, etc. There is a negative balance of unrestricted net position of \$81,016,783 primarily a result of the recognition of the OPEB liabilities. Overall, net position decreased by \$630,019.

Changes in Net Position

	June 30,	
	2022	2021
REVENUES		
Program Revenues		
Charges for Services	\$ 1,606,570	\$ 994,532
Operating Grants and Contributions	1,826,988	797,271
Capital Grants and Contributions	866	198,585
Total Program Revenues	<u>3,434,424</u>	<u>1,990,388</u>
General Revenues		
Real Property Taxes	42,382,786	41,416,294
Other Tax Items	2,179,224	2,429,836
Non-Property Taxes	909,526	812,067
Unrestricted Use of Money and Property	24,829	30,404
Sale of Property and Compensation for Loss	1,510	56,612
Unrestricted State Aid	5,773,863	5,074,603
Miscellaneous	266,527	175,245
Total General Revenues	<u>51,538,265</u>	<u>49,995,061</u>
Total Revenues	<u>54,972,689</u>	<u>51,985,449</u>
EXPENSES		
General Support	7,005,978	7,665,888
Instruction	45,827,635	53,816,635
Pupil Transportation	1,540,739	1,071,667
Cost of Food Sales	574,847	292,800
Other	145,268	242,465
Interest	508,241	212,668
Total Expenses	<u>55,602,708</u>	<u>63,302,123</u>
Change in Net Position	<u>(630,019)</u>	<u>(11,316,674)</u>
NET POSITION		
Beginning, as reported	(62,963,071)	(51,729,513)
Cumulative Effect of Change in Accounting Principle	<u>-</u>	<u>83,116</u>
Beginning, as restated	<u>(62,963,071)</u>	<u>(51,646,397)</u>
Ending	<u>\$ (63,593,090)</u>	<u>\$ (62,963,071)</u>

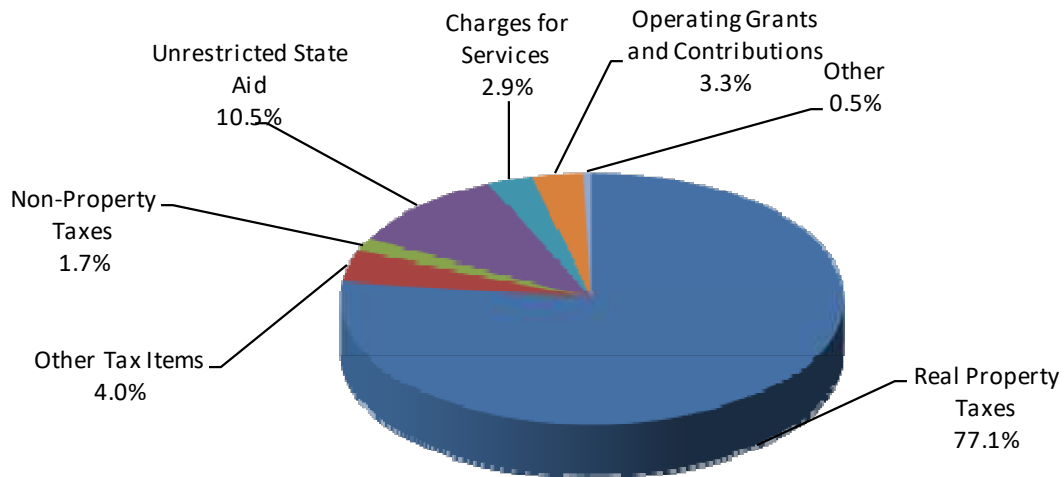
The following are the major changes in Net Position:

Revenues:

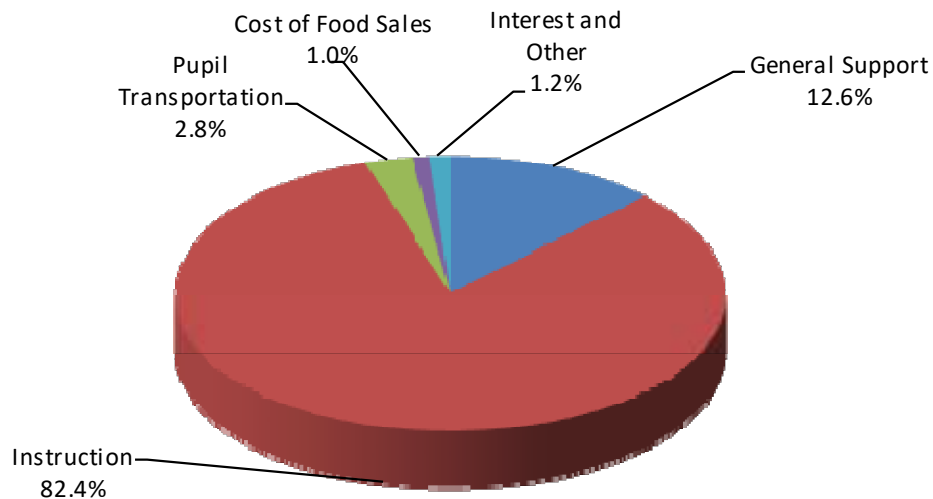
- Real property taxes increased by \$966,492 or 2.3%. The current property tax increase is attributed to projected increased expenses related to instruction, employee benefits and transportation. It is also a result of the continuing decrease in STAR (see below). The School District relies upon real property taxes as its primary source of revenue.
- Other tax items include revenues received for the School Tax Relief Reimbursement Program ("STAR"). The STAR Program provides tax relief to homeowners by decreasing the assessments taxable to the homeowner or by providing a refund of a portion of school taxes paid. As a result in changes to the NYS law, this revenue decreased by \$250,612 during the 2021-2022 fiscal year and has decreased by \$1,914,051, almost 46.8%, in the past five years shifting this burden from the state to the taxpayers. New homeowners will now receive their STAR reimbursement as a refund directly.
- The receipt of sales tax revenue increased by \$97,459 or 12% due to an increase in Westchester County's sales tax rate and internet collections. The county has enjoyed larger than anticipated sales tax collections the last few years. This increase in revenues has been helpful to local schools as they have continued to increase each year.
- Revenue from rental of facilities increased from the prior year. During the height of the pandemic, the Board of Education waived rental fees. The fees were reinstated during the 2021-22 school year.
- Interest income decreased by \$9,531 as a result of extremely low interest rates. The interest rates began to rebound towards the end of the 21-22 fiscal year and have continued to increase in the 22-23 fiscal year. We anticipate having a significant increase in this revenue
- Overall, General Support expenses decreased slightly over the prior year. The decrease was due to a reduction in the ERS liability.
- Instructional program expenses decreased by \$7,989,000 or 14.8%, over the prior year. The decrease in the overall net position on the entity wide financial statements is being driven by the decrease in the post-retirement obligations. On the fund level there was an increase in the overall instructional expenses from the previous year. There was an increase of \$1.242 million in instructional expenses not including the employee benefits for instructional staff.
- Pupil transportation expenditures increased by \$469,072 over the 20-21 school year. This increase over the prior year is due to transportation fully being restored from the prior year.

The following graphs depict where the School District revenues were derived and how monies were spent. As you can see, the School District relies upon real property taxes for 77.1% of its revenue, while the School District's largest expense, instructional costs, accounts for 82.4% of total expenses.

Sources of Revenue for Fiscal Year 2022
Governmental Activities



Expenses for Fiscal Year 2022
Governmental Activities



Financial Analysis of the School District's Funds

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

The focus of the School District's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the School District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds reported combined fund balances of \$14,861,508, an increase of \$10,900,781 from the prior year. This increase is a result of the capital outlay for capital projects.

Nonspendable:		
	Inventories	<u>\$ 4,061</u>
Restricted:		
	Employment Benefit Accrued Liability	570,827
	Liability Claims	1,431,205
	Unemployment Benefits	150,203
	Tax Certiorari	1,832,033
	TRS Retirement Contributions	652,473
	ERS Retirement Contributions	2,334,387
	Future Capital Projects	3,455,397
	Debt Service	851,401
	Special Purposes	<u>229,212</u>
Total Restricted		<u>11,507,138</u>
Assigned:		
Purchases On Order:		
	General Government Support	89,857
	Instruction	<u>261,760</u>
		351,617
Subsequent Year's Expenditures		854,843
School Lunch Fund		<u>100,677</u>
Total Assigned		<u>1,307,137</u>
Unassigned - General Fund		<u>2,043,172</u>
Total Fund Balances		<u><u>\$ 14,861,508</u></u>

The General Fund is the primary operating fund of the School District. At the end of the current fiscal year, the total fund balance of the General Fund was \$11,568,621. This represents an increase of \$1,378,055 from the prior year. This is a result of a reduction in expenditures based on a projection of

reduced state aid, sales tax, facilities use fees and interest income. The reduction in state aid and sales tax did not materialize creating a large surplus during 2021-2022. The surplus was allocated to various restricted components of fund balance, where appropriate, and the balance is in the unassigned fund balance. The amount of the unassigned fund balance is \$2,043,172 or 3.7% of the ensuing year's budget. This is at the 4% allowed by NYS Law.

More detailed information about the School District's governmental fund balances is presented in note 3H in the notes to financial statements.

General Fund Budgetary Highlights – 2021-22

The original, voter approved adopted budget of \$52,823,911 was increased by \$512,685 as a result of the rollover of prior year encumbrances for a total original budget of \$53,336,596. The budget was further revised during the 2021-2022 fiscal year by a total of \$158,442 from the appropriation of fund balance from the Reserve for Tax Certiorari and Liability Reserve. As a result, the final budget totaled \$53,495,038.

Revenue Highlights include:

- Increase in taxes due to increased tax levy and decrease in STAR.
- Decrease in STAR reimbursement revenue due to changes in NYS Law.
- State aid exceeded the budgeted amount by \$201,559.
- The District received over \$1 million in pandemic grants that helped offset expenditures.
- Increase in sales tax revenue due to increase in Westchester County sales tax rate and internet collections.
- Decrease in rental of facilities revenue as facilities were not available due to the pandemic.
- Decrease in interest income due to extremely low interest rates.

Expenditure Highlights include:

- Increase in spending to address pandemic learning loss as well as contractual increases.
- An increase in Central Services costs as a result of increased gas and electricity usage and rates, significant investments in computer supplies and performance of facilities projects.
- Increase in pupil transportation as a result of returning to a full year of attendance.

For the Future

The Hastings-on-Hudson Union Free School District is financially stable and strong. However, there are two inter-related challenges that will require some discussion: Enrollment and Budget.

Enrollment:

As the chart below shows, from 2011-2012 to 2021-2022, with the exception of 2012-2013 and 2018-2019, as well as 2020-2021 (due to the pandemic), there has been an increase in enrollment in all of the School District's facilities. While the increases have been small on an annual basis, the cumulative effect has required increased staffing at various levels in different years. Enrollment for the 2022-2023 school year is projected to be 1,650 students.

School District's Changing Enrollment

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23**
K-5	561	562	588	580	562	570	572	597	637	620	540	558	582
6-8	511	493	474	493	493	510	523	524	532	510	506	513	520
9-12	527	515	522	512	501	512	490	517	515	522	527	534	527
Sp. Ed.*	28	26	28	17	19	19	18	19	19	18	15	14	18
Total	1,627	1,602	1,620	1,610	1,581	1,619	1,609	1,668	1,712	1,674	1,588	1,619	1,650

*Out of School District Special Education Placements

**Projected Enrollment

Budget:

It is clear that the School District is heavily dependent upon real property taxes as they represent approximately 80% of School District revenues (exclusive of STAR).

Effective in the 2012-2013 school year, legislation was passed by New York State capping tax levy increases to 2%. Under these circumstances, the challenge of presenting a fiscally responsible budget, while meeting the needs of children and mandates, will require effective and efficient management of School District operations in future years. It will be important that discussions about these issues and what choices or changes are possible in expenditures that will need to take place so the community is fully cognizant of whatever tradeoffs are made.

Capital Assets

As of June 30, 2022, the School District had \$31,787,467, net of accumulated depreciation invested in a broad range of capital assets, including land, buildings and improvements, as well as machinery and equipment and construction-in-progress. The change in capital assets, net of accumulated depreciation, is reflected below.

The change in capital assets during the current fiscal year results from the additional construction-in-progress and depreciation expense.

More detailed information about the School District's capital assets is presented in Note 3B in the notes to financial statements.

Class	June 30,	
	2022	2021
Land	\$ 115,000	\$ 115,000
Construction-in-Progress	127,499	6,084,794
Buildings and Improvements	30,830,479	16,239,848
Machinery and Equipment	714,489	780,803
 Total Capital Assets, net of Accumulated depreciation	 \$ 31,787,467	 \$ 23,220,445

Construction-in-progress consists of:

Project	June 30,	
	2022	2021
Stormwater Drainage	\$ 127,500	\$ -
Pre Bond Professional Services & Architect Work	-	1,521,944
Farragut Roof Construction	-	1,803,159
Hillside Upgrades General Construction	-	213,257
Hillside Addition & Renovation General Construction	-	1,859,815
Hillside Addition & Renovation Heating, Ventilation & AC	-	33,098
Hillside Addition & Renovation Plumbing	-	78,614
Hillside Addition & Renovation Electrical Work	-	177,983
Hillside Addition & Renovation Civil/Site Work	-	330,968
Hillside Addition & Renovation Seating	-	65,956
	<u>\$ 127,500</u>	<u>\$ 6,084,794</u>

Long-Term Debt

The School District had general obligation and other long-term debt outstanding as follows:

	June 30,	
	2022	2021
Bonds Payable, net	\$ 24,672,325	\$ 6,354,152
Energy Performance Contract	627,760	754,795
Claims Payable	-	180,000
Compensated Absences	570,828	490,674
Net Pension Liability	-	3,788,687
Other Post Employment Benefit Liability	<u>81,636,063</u>	<u>102,631,933</u>
Total	<u>\$ 107,506,976</u>	<u>\$ 114,200,241</u>

During the 2021-2022 fiscal year, the School District issued a bond for the bond authorized by the voters on February 28, 2019. The School District recorded its net pension liability to ERS and TRS as required by the provisions of GASB Statement No. 68 (reflected as a net pension asset as of June 30, 2022). The School District's other postemployment benefit liability was recorded in accordance with the provisions of GASB Statement No. 75. As noted earlier, the sharp decrease was due to an increase in the discount rate compared to the previous year. This liability will continue to grow as at this time the School District is permitted by New York State only to fund its pay-as-you-go obligations for health insurance.

More detailed information about the School District's long-term liabilities is presented in Note 3E in the notes to financial statements.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:
Hastings on Hudson Union Free School District

Attn: Maureen Caraballo, Treasurer
27 Farragut Avenue
Hastings-on-Hudson, New York 10706
Tel: (914) 478-6210
Email: caraballom@hohschools.org

Hastings-on-Hudson Union Free School District, New York

Statement of Net Position

June 30, 2022

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 17,379,368
Receivables	
Accounts	257,964
State and Federal aid	1,692,530
Due from other governments	200,000
Inventories	4,061
Net pension asset - TRS	23,427,562
Net pension asset - ERS	1,194,388
Capital assets	
Not being depreciated	242,499
Being depreciated, net	31,544,968
Total Assets	75,943,340
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	15,943,884
OPEB related	25,762,888
Total Deferred Outflows of Resources	41,706,772
LIABILITIES	
Accounts payable	1,369,057
Accrued liabilities	99,891
Due to other governments	10,073
Due to retirement systems	2,848,100
Deposits	117,510
Employee payroll deductions	127,009
Unearned revenues	100,775
Accrued interest payable	296,320
Non-current liabilities	
Due within one year	1,358,324
Due in more than one year	106,148,652
Total Liabilities	112,475,711
DEFERRED INFLOWS OF RESOURCES	
Pension related	30,600,755
OPEB related	38,166,736
Total Deferred Inflows of Resources	68,767,491
NET POSITION	
Net investment in capital assets	8,581,227
Restricted	
Tax certiorari	1,832,033
Liability claims	1,431,205
Unemployment benefits	150,203
ERS retirement system contributions	2,334,387
TRS retirement system contributions	652,473
Debt service	851,401
Capital projects	34,181
Future capital projects	1,327,371
Special purpose	229,212
Unrestricted	(81,016,783)
Total Net Position	\$ (63,593,090)

The notes to financial statements are an integral part of this statement.

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Hastings-on-Hudson Union Free School District, New York

Statement of Activities
Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General support	\$ 7,005,978	\$ -	\$ -	\$ -	\$ (7,005,978)
Instruction	45,827,635	975,239	1,619,131	-	(43,233,265)
Pupil transportation	1,540,739	-	-	-	(1,540,739)
Cost of food sales	574,847	631,331	1,455	-	57,939
Other	145,268	-	206,402	-	61,134
Interest	508,241	-	-	866	(507,375)
Total Governmental Activities	<u>\$ 55,602,708</u>	<u>\$ 1,606,570</u>	<u>\$ 1,826,988</u>	<u>\$ 866</u>	<u>(52,168,284)</u>
General revenues					
Real property taxes					42,382,786
Other tax items					
Payments in lieu of taxes					6,253
School tax relief reimbursement					2,172,971
Non-property taxes					
Non-property tax distribution from County					909,526
Unrestricted use of money and property					24,829
Sale of property and compensation for loss					1,510
Unrestricted State aid					5,773,863
Miscellaneous					266,527
Total General Revenues					<u>51,538,265</u>
Change in Net Position					(630,019)
Net Position - Beginning					<u>(62,963,071)</u>
Net Position - Ending					<u>\$ (63,593,090)</u>

The notes to financial statements are an integral part of this statement.

Hastings-on-Hudson Union Free School District, New York

Balance Sheet
Governmental Funds
June 30, 2022

	General	Capital Projects	Special Aid
ASSETS			
Cash and equivalents	\$ 13,485,693	\$ 3,261,921	\$ 163,709
Receivables			
Accounts	242,835	-	25
State and Federal aid	828,688	-	863,842
Due from other governments	200,000	-	-
Due from other funds	863,939	-	-
Inventories	-	-	-
Total Assets	<u>\$ 15,621,155</u>	<u>\$ 3,261,921</u>	<u>\$ 1,027,576</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 834,878	\$ 355,054	\$ 85,533
Accrued liabilities	97,598	-	2,293
Due to other funds	-	778,841	900,004
Due to other governments	-	-	-
Due to retirement systems	2,848,100	-	-
Employee payroll deductions	127,009	-	-
Deposits payable	117,510	-	-
Unearned revenues	27,439	-	39,746
Total Liabilities	<u>4,052,534</u>	<u>1,133,895</u>	<u>1,027,576</u>
Fund balances			
Nonspendable	-	-	-
Restricted	8,318,989	2,128,026	-
Assigned	1,206,460	-	-
Unassigned	2,043,172	-	-
Total Fund Balances	<u>11,568,621</u>	<u>2,128,026</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 15,621,155</u>	<u>\$ 3,261,921</u>	<u>\$ 1,027,576</u>

The notes to financial statements are an integral part of this statement.

Non-Major Governmental Funds	Total Governmental Funds
\$ 468,045	\$ 17,379,368
15,104	257,964
-	1,692,530
-	200,000
814,906	1,678,845
4,061	4,061
<u>\$ 1,302,116</u>	<u>\$ 21,212,768</u>

\$ 93,592	\$ 1,369,057
-	99,891
-	1,678,845
10,073	10,073
-	2,848,100
-	127,009
-	117,510
33,590	100,775
<u>137,255</u>	<u>6,351,260</u>

4,061	4,061
1,060,123	11,507,138
100,677	1,307,137
-	2,043,172
<u>1,164,861</u>	<u>14,861,508</u>
<u>\$ 1,302,116</u>	<u>\$ 21,212,768</u>

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Hastings-on-Hudson Union Free School District, New York

Reconciliation of Governmental Funds Balance Sheet to the District-Wide Statement of Net Position June 30, 2022

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because

Fund Balances - Total Governmental Funds	\$ 14,861,508
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	242,499
Capital assets - depreciable	54,214,927
Accumulated depreciation	<u>(22,669,959)</u>
	<u>31,787,467</u>
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	15,943,884
Deferred outflows - OPEB related	25,762,888
Deferred inflows - pension related	(30,600,755)
Deferred inflows - OPEB related	<u>(38,166,736)</u>
	<u>(27,060,719)</u>
Other long-term assets are not available to pay for current-period expenditures and, therefore, are either deferred or not reported in the funds.	
Net pension asset - TRS	23,427,562
Net pension asset - ERS	<u>1,194,388</u>
	<u>24,621,950</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(296,320)
General obligation bonds payable	(22,270,000)
Energy performance contract debt payable	(627,760)
Compensated absences	(570,828)
Total OPEB liability	<u>(81,636,063)</u>
	<u>(105,400,971)</u>
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issues, whereas these amounts are deferred and amortized in the statement of activities.	
Premium on general obligation bonds	<u>(2,402,325)</u>
Net Position of Governmental Activities	<u>\$ (63,593,090)</u>

The notes to financial statements are an integral part of this statement.

Hastings-on-Hudson Union Free School District, New York

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2022

	General	Capital Projects	Special Aid
REVENUES			
Real property taxes	\$ 42,382,786	\$ -	\$ -
Other tax items	2,179,224	-	-
Non-property taxes	909,526	-	-
Charges for services	975,239	-	-
Use of money and property	24,829	-	-
Sale of property and compensation for loss	1,510	-	-
State aid	5,910,870	-	229,437
Federal aid	10,988	-	1,241,699
Food sales	-	-	-
Miscellaneous	266,527	-	-
Total Revenues	52,661,499	-	1,471,136
EXPENDITURES			
Current			
General support	5,412,708	-	182,640
Instruction	32,193,140	-	685,325
Pupil transportation	1,427,647	-	-
Employee benefits	11,939,762	-	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service			
Principal	127,035	-	-
Interest	24,186	-	-
Capital outlay	-	9,353,144	-
Total Expenditures	51,124,478	9,353,144	867,965
Excess (Deficiency) of Rev- enues Over Expenditures	1,537,021	(9,353,144)	603,171
OTHER FINANCING SOURCES (USES)			
Transfers in	649,507	100,000	46,336
Transfers out	(808,473)	-	(649,507)
General obligation bonds issued	-	16,560,000	-
Issuance premium	-	1,823,614	-
Total Other Financing Sources (Uses)	(158,966)	18,483,614	(603,171)
Net Change in Fund Balances	1,378,055	9,130,470	-
FUND BALANCES (DEFICITS)			
Beginning of Year	10,190,566	(7,002,444)	-
End of Year	\$ 11,568,621	\$ 2,128,026	\$ -

The notes to financial statements are an integral part of this statement.

Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ 42,382,786
-	2,179,224
-	909,526
-	975,239
924	25,753
-	1,510
-	6,140,307
1,426	1,254,113
631,331	631,331
206,373	472,900
<u>840,054</u>	<u>54,972,689</u>
-	5,595,348
-	32,878,465
-	1,427,647
-	11,939,762
565,830	565,830
145,268	145,268
515,000	642,035
345,137	369,323
-	9,353,144
<u>1,571,235</u>	<u>62,916,822</u>
<u>(731,181)</u>	<u>(7,944,133)</u>
662,137	1,457,980
-	(1,457,980)
-	16,560,000
461,300	2,284,914
<u>1,123,437</u>	<u>18,844,914</u>
392,256	10,900,781
<u>772,605</u>	<u>3,960,727</u>
<u>\$ 1,164,861</u>	<u>\$ 14,861,508</u>

Hastings-on-Hudson Union Free School District, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2022

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because

Net Change in Fund Balances - Total Governmental Funds	\$ 10,900,781
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay expenditures	9,701,201
Depreciation expense	<u>(1,134,179)</u>
	<u>8,567,022</u>

Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized on the statement of activities.

General obligation bonds issued	(16,560,000)
Issuance premium	(2,284,914)
Principal paid on general obligation bonds	515,000
Principal paid on energy performance contract debt	127,035
Amortization of premium and loss on refunding bonds	<u>11,741</u>
	<u>(18,191,138)</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest	(150,659)
Compensated absences	(80,154)
Claims payable	180,000
Changes in pension liabilities and related deferred outflows and inflows of resources	4,342,432
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>(6,198,303)</u>
	<u>(1,906,684)</u>

Change in Net Position of Governmental Activities	<u><u>\$ (630,019)</u></u>
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The notes to financial statements are an integral part of this statement.

Hastings-on-Hudson Union Free School District, New York

Statement of Revenues, Expenditures and Changes in Fund

Balance - Budget and Actual

General Fund

Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 42,382,786	\$ 42,382,786	\$ 42,382,786	\$ -
Other tax items	2,172,971	2,172,971	2,179,224	6,253
Non-property taxes	600,000	600,000	909,526	309,526
Charges for services	545,000	545,000	975,239	430,239
Use of money and property	30,000	30,000	24,829	(5,171)
Sale of property and compensation for loss	-	-	1,510	1,510
State aid	5,708,311	5,708,311	5,910,870	202,559
Federal aid	-	10,988	10,988	-
Miscellaneous	100,000	100,000	266,527	166,527
Total Revenues	51,539,068	51,550,056	52,661,499	1,111,443
EXPENDITURES				
Current				
General support	4,935,778	5,695,180	5,412,708	282,472
Instruction	33,251,130	33,287,928	32,193,140	1,094,788
Pupil transportation	1,372,700	1,467,835	1,427,647	40,188
Employee benefits	12,828,630	12,077,037	11,939,762	137,275
Debt service				
Principal	127,035	127,035	127,035	-
Interest	24,186	24,186	24,186	-
Total Expenditures	52,539,459	52,679,201	51,124,478	1,554,723
Excess (Deficiency) of Revenues Over Expenditures	(1,000,391)	(1,129,145)	1,537,021	2,666,166
OTHER FINANCING (USES)				
Transfers in	-	-	649,507	649,507
Transfers out	(797,137)	(815,837)	(808,473)	7,364
Total Other Financing Uses	(797,137)	(815,837)	(158,966)	656,871
Net Change in Fund Balances	(1,797,528)	(1,944,982)	1,378,055	3,323,037
FUND BALANCES				
Beginning of Year	1,797,528	1,944,982	10,190,566	8,245,584
End of Year	\$ -	\$ -	\$ 11,568,621	\$ 11,568,621

The notes to financial statements are an integral part of this statement.

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Note 1 - Summary of Significant Accounting Policies

The Hastings-on-Hudson Union Free School District, New York ("School District") as presently constituted, was established in 1903 and operates in accordance with the provisions of the Education Law of the State of New York. The Board of Education is the legislative body responsible for overall operation of the School District and is elected by the voters of the School District. The Superintendent serves as the chief executive officer. The School District's primary function is to provide education for its pupils. Services such as transportation of pupils, administration, finance and plant maintenance support the primary function.

The financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The School District's significant accounting policies are described below:

A. Financial Reporting Entity

The financial reporting entity consists of a) the primary government, which is the School District, b) organizations for which the School District is financially accountable and c) other organizations for which the nature and significance of their relationship with the School District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

In evaluating how to define the School District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the School District's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, there are no other entities which would be included in the financial statements.

The School District participates in the Southern Westchester Board of Cooperative Educational Services ("BOCES"), a jointly governed entity. BOCES is a voluntary cooperative association of school districts in a geographic area that share planning, services and programs, which provide educational and support services. BOCES' governing board is elected based on the vote of members of the participating district's governing boards. BOCES' budget is comprised of separate budgets for administrative, program and capital costs. BOCES charges the districts for program costs based on participation and for administrative and capital costs. Each component school district's share of administrative and capital costs is determined by resident public school enrollment as defined by Education Law. Copies of BOCES' financial statement can be requested from Southern Westchester BOCES, 17 Berkley Drive, Rye Brook, New York 10573.

B. District-Wide Financial Statements

The district-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the primary government as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Statement of Net Position presents the financial position of the School District at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The School District does not allocate indirect expenses to functions in the Statement of Activities.

While separate district-wide and fund financial statements are presented, they are interrelated. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Fund Financial Statements

The accounts of the School District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The School District maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the district-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the district-wide presentation. The School District's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

- a. Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following represents the School District's major governmental funds.

General Fund - The General Fund constitutes the primary operating fund of the School District and is used to account for and report all financial resources not accounted for and reported in another fund.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for

Note 1 - Summary of Significant Accounting Policies (Continued)

capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. The major special revenue fund of the School District is as follows -

Special Aid Fund - The Special Aid Fund is used to account for special projects or programs supported in whole or in part with Federal, State or local funds. The major revenues of this fund are Federal and State aid.

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

School Lunch Fund - The School Lunch Fund is used to record the operations of the breakfast, lunch and milk programs of the School District.

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the School District in accordance with grantor or contributor stipulations. Among the activities included in the Special Purpose Fund are extraclassroom activity funds.

Debt Service Fund - The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years.

- b. Fiduciary Funds (Not Included in District-Wide Financial Statements) - The Fiduciary Funds are used to account for assets held by the School District on behalf of others. In accordance with the provisions of GASB Statement No. 84, "*Fiduciary Activities*", the School District had no such activity to report in this fund category.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The 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 (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-wide 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 when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when

Note 1 - Summary of Significant Accounting Policies (Continued)

they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made and the amounts are expected to be collected within one year of the fiscal year end. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to certain claims, compensated absences, net pension liability and other postemployment benefit liability are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

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

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

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The School District follows the provisions of GASB Statement No. 72, "*Fair Value Measurement and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Note 1 - Summary of Significant Accounting Policies (Continued)

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the School District does not invest in any long-term investment obligations.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40 "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*" directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name. The School District's aggregate bank balances that were not covered by depository insurance were exposed to custodial credit risk at June 30, 2022 in the amount of \$245,000.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The School District does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The School District's investment policy limits the amount on deposit at each of its banking institutions.

Property Taxes Receivable - Real property taxes attach as an enforceable lien on real property as of July 1st and are levied and payable in September and January. The Town of Greenburgh, New York ("Town") is responsible for the billing and collection of the taxes. The Town guarantees the full payment of the School District warrant and assumes responsibility for uncollected taxes.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the School District. Receivables are recorded and revenues recognized as earned or as specific program expenditures are incurred. Allowances are recorded when appropriate.

Due From/To Other Funds - During the course of its operations, the School District has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2022, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Inventory - Inventory in the School Lunch Fund consists of surplus food at a stated value which approximates market. These inventories consist primarily of items held for consumption. The cost is recorded as inventory at the time individual inventory items are purchased. The School District uses the consumption method to relieve inventory. In the fund financial statements, reported amounts

Note 1 - Summary of Significant Accounting Policies (Continued)

are equally offset by nonspendable fund balance which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Capital Assets - Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Land and construction-in-progress are not depreciated. Property, plant and equipment of the School District are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Land Improvements	20-30
Buildings and Improvements	20-50
Machinery and Equipment	5-20

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheets.

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied. In district-wide financial statements, unearned revenues consist of revenue received in advance and/or revenue from grants received before the eligibility requirements have been met.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The School District has reported unearned revenues of \$27,439 within the General Fund for tuition and retiree health insurance billings received in advance, \$39,746 within the Special Aid Fund for State and Federal aid received in advance, and \$33,590 for amounts received in advance for the lunch program in the School Lunch Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Note 1 - Summary of Significant Accounting Policies (Continued)

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The School District reported deferred outflows of resources and deferred inflows of resources in relation to its pension and other post-employment benefit liabilities in the district-wide financial statements. These amounts are detailed in the discussion of the School District's pension and other post-employment benefit liabilities in Note 3E.

Long-Term Liabilities - In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects Fund expenditures.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation leave upon separation from service. The liability for such accumulated leave is reflected in the district-wide Statement of Net Position as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Net Pension Liability (Asset) - The net pension liability (asset) represents the School District's proportionate share of the net pension liability (asset) of the New York State and Local Employees' Retirement System and the New York State Teachers' Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, *"Accounting and Financial Reporting for Pensions"* and GASB Statement No. 71, *"Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68"*.

Other Post - Employment Benefit Liability ("OPEB") - In addition to providing pension benefits, the School District provides health care benefits for certain retired employees and their survivors. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other than Pensions"*.

Net Position - represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Note 1 - Summary of Significant Accounting Policies (Continued)

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted net position for the School District includes restricted for tax certiorari, liability claims, unemployment benefits, retirement system contributions, debt service, capital projects, future capital projects and special purpose.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories

Fund Balance - Generally, fund balance represents the difference between current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables, advances) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law or Education Law of the State of New York.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Board of Education is the highest level of decision making authority for the School District that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the School District removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Board of Education.

Note 1 - Summary of Significant Accounting Policies (Continued)

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Board of Education for amounts assigned for balancing the subsequent year's budget or the Treasurer for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive unassigned fund balance. For all governmental funds other than the General Fund, any deficit fund balance is reported as unassigned.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the School District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the School District's policy to use fund balance in the following order: committed, assigned, and unassigned.

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available for issuance, which date is October 11, 2022.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

The School District generally follows the procedures enumerated below in establishing the budgetary data reflected in the fund financial statements:

- a) At least seven days prior to the budget hearing, a copy of the budget is made available to the voters.
- b) At the budget hearing, the voters may raise questions concerning the items contained in the budget.
- c) The Board of Education establishes a date for the annual meeting, which by law will be held on the third Tuesday in May.
- d) The voters are permitted to vote upon the General Fund budget at the annual meeting.
- e) If the original proposed budget is not approved by the voters, the Board of Education has the option of either resubmitting the original or revising the budget for voter approval at a special meeting held at a later date; or the Board of Education may, at that point, adopt a contingency budget. If the Board of Education decides to submit either the original or a revised budget to the voters for a second time, and the voters do not approve the second budget submittal, the Board of Education must adopt a contingency budget and the tax levy cannot exceed the total tax levy of the prior year (0% levy growth). In addition, the administrative component of the contingency budget shall not comprise a greater percentage of the contingency budget exclusive of the capital component than the lesser of either 1) the percentage the administrative component had comprised in the prior year budget exclusive of the capital component; or 2) the percentage the administrative component had comprised in the last proposed defeated budget exclusive of the capital component.
- f) Formal budgetary integration is employed during the year as a management control device for the General and Debt Service funds.
- g) Budgets for the General and Debt Service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. The Board of Education does not adopt an annual budget for the Special Aid, School Lunch or Special Purpose funds since other means control the use of these resources (e.g., grant awards) and sometimes span a period of more than one fiscal year.
- h) The Board of Education has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Education. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- i) Appropriations in the General and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year, pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted or as amended by the Board of Education.

B. Limitation on Fund Balance

The School District is limited to the amount of committed, assigned and unassigned fund balance, with certain exceptions, that can be retained. New York State law limits this amount to 4% of the ensuing year's budget.

C. Property Tax Limitation

Chapter 97 of the Laws of 2011, as amended ("Tax Levy Limitation Law"), modified previous law by imposing a limit on the amount of real property taxes that a school district may levy. Prior to its enactment, there was no statutory limitation on the amount of real property taxes that a school district could levy if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of 4% of the prior year's budget or 120% of the consumer price index ("CPI").

Under the Tax Levy Limitation Law, there is now a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the CPI subject to certain exclusions. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a budget with a tax levy in excess of the limit. In the event the voters reject the budget, the tax levy for the school district's budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year. School districts will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior year.

The Tax Levy Limitation Law permits certain significant exclusions to the tax levy limit for school districts. These include taxes to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the Tax Levy Limitation Law. However, such exclusion does not apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments.

D. New Accounting Pronouncement

GASB Statement No. 87, "Leases", established a single model for lease accounting based on the concept that leases are a financing of a "right-to-use" underlying asset. This statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset and a lessor to recognize a lease receivable and a deferred inflow of resources. The requirements of GASB Statement No. 87 are effective for the School District's fiscal year ended June 30, 2022. The School District has completed its evaluation of the financial impact of GASB Statement No. 87

Hastings-On-Hudson Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2022

Note 2 - Stewardship, Compliance and Accountability (Continued)

and determined that the implementation of this standard was not required as it did not have a material impact on its financial statements.

Note 3 - Detailed Notes on All Funds

A. Interfund Receivables/Payables

The composition of due from/to other funds at June 30, 2022 is as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 863,939	\$ -
Capital Projects	-	778,841
Special Aid	-	900,004
Non-Major Governmental	814,906	-
	<u>\$ 1,678,845</u>	<u>\$ 1,678,845</u>

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

B. Capital Assets

Changes in the School District's capital assets are as follows:

<u>Class</u>	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2022</u>
Capital Assets, not being depreciated:				
Land	\$ 115,000	\$ -	\$ -	\$ 115,000
Construction-in-progress	6,084,794	127,500	6,084,795	127,499
	<u>\$ 6,199,794</u>	<u>\$ 127,500</u>	<u>\$ 6,084,795</u>	<u>\$ 242,499</u>
Capital Assets, being depreciated:				
Land Improvements	\$ 7,816,054	\$ 88,186	\$ -	\$ 7,904,240
Buildings and Improvements	29,252,086	15,542,013	-	44,794,099
Machinery and Equipment	1,488,291	28,297	-	1,516,588
Total Capital Assets, being Depreciated	<u>38,556,431</u>	<u>15,658,496</u>	<u>-</u>	<u>54,214,927</u>
Less Accumulated Depreciation for:				
Land Improvements	2,002,555	379,194	-	2,381,749
Buildings and Improvements	18,825,737	660,374	-	19,486,111
Machinery and Equipment	707,488	94,611	-	802,099
Total Accumulated Depreciation	<u>21,535,780</u>	<u>1,134,179</u>	<u>-</u>	<u>22,669,959</u>
Total Capital Assets, being depreciated, net	<u>\$ 17,020,651</u>	<u>\$ 14,524,317</u>	<u>\$ -</u>	<u>\$ 31,544,968</u>
Governmental Activities Capital Assets, net	<u>\$ 23,220,445</u>	<u>\$ 14,651,817</u>	<u>\$ 6,084,795</u>	<u>\$ 31,787,467</u>

Hastings-On-Hudson Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2022

Note 3 - Detailed Notes on All Funds (Continued)

Depreciation expense was charged to School District functions and programs as follows:

General Support	\$ 718,268
Instruction	406,894
Cost of Food Sales	<u>9,017</u>
Total Depreciation Expense	<u>\$ 1,134,179</u>

C. Accrued Liabilities

Accrued liabilities as of June 30, 2022 were as follows:

	General Fund	Special Aid Fund	Total
Payroll and Employee Benefits	<u>\$ 97,598</u>	<u>\$ 2,293</u>	<u>\$ 99,891</u>

D. Short-Term Capital Borrowings – Bond Anticipation Notes

The schedule below details the changes in the short-term capital borrowings:

Purpose	Original Issue Date	Rate of Interest	Balance July 1, 2021	New Issues	Redemptions	Balance June 30, 2022
Construction of Improvements and Alterations to District Buildings	3/4/2021	1.50 %	<u>\$ 15,000,000</u>	<u>\$ -</u>	<u>\$ 15,000,000</u>	<u>\$ -</u>

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgments or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgments be converted to long-term obligations generally within five years after the original issue date. However, bond anticipation notes issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Interest expenditures of \$225,000 was recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$152,500 was recorded in the district-wide financial statements.

Hastings-On-Hudson Union Free School District, New York

Notes to Financial Statements (Continued)
June 30, 2022

Note 3 - Detailed Notes on All Funds (Continued)**E. Long-Term Liabilities**

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2022:

	Balance July 1, 2021	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2022	Due Within One-Year
General Obligation Bonds Payable	\$ 6,225,000	\$ 16,560,000	\$ 515,000	\$ 22,270,000	\$ 1,170,000
Plus					
Unamortized premium on bonds	129,152	2,284,914	11,741	2,402,325	-
	6,354,152	18,844,914	526,741	24,672,325	1,170,000
Energy Performance Contract Debt Payable	754,795	-	127,035	627,760	131,324
	7,108,947	18,844,914	653,776	25,300,085	1,301,324
Other Non-current Liabilities:					
Claims Payable	180,000	-	180,000	-	-
Net Pension Liability - ERS	13,703	-	13,703	-	-
Net Pension Liability - TRS	3,774,984	-	3,774,984	-	-
Compensated Absences	490,674	129,154	49,000	570,828	57,000
Other Postemployment Benefit Liability	102,631,933	(19,337,045)	1,658,825	81,636,063	-
Total Non-Current Liabilities	107,091,294	(19,207,891)	5,676,512	82,206,891	57,000
Total Long-Term Liabilities	\$ 114,200,241	\$ (362,977)	\$ 6,330,288	\$ 107,506,976	\$ 1,358,324

Each governmental fund's liability for general obligation bonds payable, energy performance contract debt payable, claims, net pension liability, compensated absences and other postemployment benefit obligations is liquidated by the General Fund. The School District's indebtedness for general obligation bonds is satisfied by the Debt Service Fund, which is funded primarily by the General Fund. The School District's indebtedness for the energy performance contract debt is satisfied by the General Fund.

General Obligation Bonds Payable

General Obligation Bonds payable at June 30, 2022 is comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2022
School Construction	2016	\$ 8,150,701	July, 2031	2.0 - 2.125 %	\$ 5,710,000
School Construction	2022	16,560,000	March, 2037	3.0 - 5.0	16,560,000
					<u>\$ 22,270,000</u>

Hastings-On-Hudson Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2022

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditures of \$120,137 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$333,327 was recorded in the district-wide financial statements.

Energy Performance Contract Debt Payable

The School District, in August 2012 entered into a \$1,698,397 contractual agreement to install energy savings equipment and/or to upgrade existing facilities to enhance performance. The terms of the contract provide for repayment over fourteen years, with semi-annual installments of \$75,611 through August 2026. Payments include interest at 3.3480%. The balance due at June 30, 2022 was \$627,760. Interest expenditures of \$24,186 were recorded in the fund financial statements in the General Fund. Interest expense of \$22,414 was recorded in the district-wide financial statements.

Payments to Maturity

The annual requirements to amortize all outstanding bonded debt as of June 30, 2022, including interest payments of \$6,294,211 are as follows:

Year Ending June 30,	General Obligation Bonds		Energy Performance Contract Debt		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 1,170,000	\$ 1,130,907	\$ 131,324	\$ 19,897	\$ 1,301,324	\$ 1,150,804
2024	1,360,000	740,288	135,758	15,464	1,495,758	755,752
2025	1,410,000	687,088	140,341	10,881	1,550,341	697,969
2026	1,465,000	631,563	145,079	6,143	1,610,079	637,706
2027	1,520,000	573,588	75,258	1,245	1,595,258	574,833
2028-2032	8,555,000	1,927,696	-	-	8,555,000	1,927,696
2033-2037	6,790,000	549,451	-	-	6,790,000	549,451
	<u>\$ 22,270,000</u>	<u>\$ 6,240,581</u>	<u>\$ 627,760</u>	<u>\$ 53,630</u>	<u>\$ 22,897,760</u>	<u>\$ 6,294,211</u>

The above general obligation bonds and energy performance contract debt are direct obligations of the School District for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the School District.

Legal Debt Margin

The School District is subject to legal limitations on the amount of debt that it may issue. The School District's legal debt margin is 10% of the most recent full valuation of taxable real property.

Claims Payable

Claims payable as of June 30, 2021 for court ordered tax certiorari refunds has been satisfied as of June 30, 2022.

Compensated Absences

The School District is obligated to compensate employees for accrued vacation upon separation of service in accordance with applicable collective bargaining agreements. The School District is not

Note 3 - Detailed Notes on All Funds (Continued)

required to compensate employees for accumulated sick leave. The value of the compensated absences has been reflected in the district-wide financial statements.

Pension Plans

New York State and Local Retirement System and Teachers' Retirement System

The School District participates in the New York State and Local Employees' Retirement System ("ERS"). This is a cost-sharing, multiple-employer defined benefit pension plan. ERS provides retirement benefits as well as death and disability benefits. The net position of the ERS is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all assets and record changes in fiduciary net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the ERS, 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 School District also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The School District also participates in the New York State Teachers' Retirement System ("TRS"). This is a cost-sharing, multiple-employer defined benefit pension plan. TRS provides retirement benefits as well as death and disability benefits. The TRS is governed by a ten member Board of Trustees, which sets policy and oversees operations consistent with its fiduciary obligations under applicable law. Obligations of employers and employees to contribute and benefits to employees are governed by the Education Law of the State of New York. Once a public employer elects to participate in the TRS, 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 TRS issues a stand-alone financial report which may be found at www.nystrs.org or obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

ERS and TRS are noncontributory for employees who joined the systems before July 27, 1976. Employees who joined the systems after July 27, 1976 and before January 1, 2010 contribute 3% of their salary for the first ten years of membership. Employees who joined the systems after January 1, 2010 generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. Pursuant to Article 11 of the Education Law of the State of New York, actuarially determined employer contributions are established annually for the TRS by its Board of Trustees. The employer contribution rates for the plans' year ending in 2022 are as follows:

Hastings-On-Hudson Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2022

Note 3 - Detailed Notes on All Funds (Continued)

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	4 A15 41J	18.3 %
	5 A15 41J	15.3
	6 A15 41J1	10.7
	6 A15 41J2	10.7
TRS	1-6	9.80 %

At June 30, 2022, the School District reported the following for its proportionate share of the net pension asset for ERS and TRS:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2022	June 30, 2021
Net pension asset	\$ (1,194,388)	\$ (23,427,562)
School Districts' proportion of the net pension asset	0.0146110 %	0.135192 %
Change in proportion since the prior measurement date	0.0008490 %	(0.001421) %

The net pension asset was measured as of March 31, 2022 for ERS and June 30, 2021 for TRS and the total pension liability used to calculate the net pension asset were determined by actuarial valuations as of those dates. The School District's proportion of the net pension asset for ERS was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. The School District's proportion of the net pension asset for TRS was based on the School District's contributions to the pension plan relative to the contributions of all participating members.

For the year ended June 30, 2022, the School District recognized its proportionate share of pension expense in the district-wide financial statements of \$(1,395,037) (\$123,092 for ERS and \$(1,518,129) for TRS). Pension expenditures of \$713,487 for ERS and \$2,233,908 for TRS were recorded in the fund financial statements and were charged to the General Fund.

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

	<u>ERS</u>		<u>TRS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 90,453	\$ 117,322	\$ 3,229,241	\$ 121,716
Changes of assumptions	1,993,299	33,635	7,705,815	1,364,586
Net difference between projected and actual earnings on pension plan investments	-	3,911,120	-	24,519,367
Changes in proportion and differences between School District contributions and proportionate share of contributions	301,698	119,306	52,503	413,703
School District contributions subsequent to the measurement date	178,932	-	2,391,943	-
	<u>\$ 2,564,382</u>	<u>\$ 4,181,383</u>	<u>\$ 13,379,502</u>	<u>\$ 26,419,372</u>

Hastings-On-Hudson Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2022

Note 3 - Detailed Notes on All Funds (Continued)

	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,319,694	\$ 239,038
Changes of assumptions	9,699,114	1,398,221
Net difference between projected and actual earnings on pension plan investments	-	28,430,487
Changes in proportion and differences between School District contributions and proportionate share of contributions	354,201	533,009
School District contributions subsequent to the measurement date	2,570,875	-
	<u>\$ 15,943,884</u>	<u>\$ 30,600,755</u>

\$178,932 reported as deferred outflows of resources related to ERS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the plan's year ended March 31, 2023. The \$2,391,943 reported as deferred outflows of resources related to TRS will be recognized as an increase of the net pension asset in the plan's year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and TRS will be recognized in pension expense as follows:

Year Ended	March 31, ERS	June 30, TRS
2022	\$ -	\$ (3,114,223)
2023	(237,042)	(3,648,212)
2024	(396,686)	(4,561,694)
2025	(990,369)	(5,964,282)
2026	(171,836)	1,074,390
Thereafter	-	782,208
	<u>\$ (1,795,933)</u>	<u>\$ (15,431,813)</u>

The total pension liability for the ERS and TRS measurement dates were determined by using actuarial valuation dates as noted below, with update procedures used to roll forward the total pension liabilities to those measurement dates. Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement Date	March 31, 2022	June 30, 2021
Actuarial valuation date	April 1, 2021	June 30, 2020
Investment rate of return	5.9% *	6.95% *
Salary scale	4.4%	1.95%-5.18%
Inflation rate	2.7%	2.4%
Cost of living adjustments	1.4%	1.3%

*Compounded annually, net of pension plan investment expenses, including inflation.

Hastings-On-Hudson Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2022

Note 3 - Detailed Notes on All Funds (Continued)

For ERS, annuitant mortality rates are based on the ERS's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2020. For TRS, annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP-2020, applied on a generational basis. Active member mortality rates are based on plan member experience.

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

For ERS, the long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation is summarized in the following table:

Asset Type	ERS March 31, 2022		TRS June 30, 2021	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32 %	3.30 %	33 %	6.8 %
International Equity	15	5.85	16	7.6
Private Equity	10	6.50	8	10.0
Real Estate	9	5.00	11	6.5
Domestic Fixed Income Securities	-	-	16	1.3
Global Bonds	-	-	2	0.8
High Yield Bonds	-	-	1	3.8
Global Equities	-	-	4	7.1
Private Debt	-	-	1	5.9
Real Estate Debt	-	-	7	3.3
Opportunistic/ARS Portfolio	3	4.10	-	-
Credit	4	3.78	-	-
Real Assets	3	5.80	-	-
Fixed Income	23	-	-	-
Cash	1	(1.00)	1	(0.2)
	<u>100 %</u>		<u>100 %</u>	

Hastings-On-Hudson Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2022

Note 3 - Detailed Notes on All Funds (Continued)

The real rate of return is net of the long-term inflation assumption of 2.7% for ERS and 2.4% for TRS.

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

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 5.9% for ERS and 6.95% for TRS, as well as what the School District's proportionate share of the net pension liability (asset) 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 Discount Rate (5.9%)	1% Increase (6.9%)
School District's proportionate share of the ERS net pension liability (asset)	<u>\$ 3,074,341</u>	<u>\$ (1,194,388)</u>	<u>\$ (4,764,974)</u>
	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
School District's proportionate share of the TRS net pension asset	<u>\$ (2,458,381)</u>	<u>\$ (23,427,562)</u>	<u>\$ (41,050,637)</u>

The components of the collective net pension asset as of the March 31, 2022 ERS measurement date and the June 30, 2021 TRS measurement date were as follows:

	ERS	TRS
Total pension liability	\$ 223,874,888,000	\$ 130,818,415,417
Fiduciary net position	<u>232,049,473,000</u>	<u>148,148,457,363</u>
Employers' net pension asset	<u>\$ (8,174,585,000)</u>	<u>\$ (17,330,041,946)</u>
Fiduciary net position as a percentage of total pension liability	<u>103.65%</u>	<u>113.25%</u>

Employer contributions to ERS are paid annually and cover the period through the end of ERS's fiscal year, which is March 31st. Accrued retirement contributions as of June 30, 2022 represent the projected employer contribution for the period April 1, 2022 through June 30, 2022 based on

Hastings-On-Hudson Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2022

Note 3 - Detailed Notes on All Funds (Continued)

paid ERS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly.

Employer and employee contributions for the year ended June 30, 2022 are paid to TRS in the following fiscal year through a state aid intercept or, if state aid is insufficient, through a payment by the School District to TRS. 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 employers' contribution rate plus employee contributions for the fiscal year as reported to TRS.

Accrued retirement contributions as of June 30, 2022 were \$178,932 to ERS and \$2,669,168 to TRS, inclusive of \$277,225 of employee contributions.

Voluntary Defined Contribution Plan

The School District can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 5% depending on salary and the School District will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

Other Postemployment Benefit Liability ("OPEB")

In addition to providing pension benefits, the School District provides certain health care benefits for retired employees through a single employer defined benefit OPEB plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the School District may vary according to length of service. The cost of providing postemployment health care benefits is shared between the School District and the retired employee as noted below. Substantially all of the School District's employees may become eligible for those benefits if they reach normal retirement age while working for the School District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

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

Inactive employees currently receiving benefit payments	142
Active employees	<u>287</u>
	<u>429</u>

The School District's total OPEB liability of \$81,636,063 was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2020.

Hastings-On-Hudson Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2022

Note 3 - Detailed Notes on All Funds (Continued)

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	Varied by years of service and retirement system, ranging from 2.9%-10%
Discount rate	3.54%
Healthcare cost trend rates	
Pre-Medicare	5.1% for 2023, decreasing to an ultimate rate of 4.04% by 2075
Medicare	5.71% for 2023, decreasing to an ultimate rate of 4.04% by 2075

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

Mortality rates were updated to Pub-2010 Teachers and General Employees Headcount-Weighted table projected fully generationally using MP-2020.

The School District's change in the total OPEB liability for the year ended June 30, 2022 is as follows:

Total OPEB Liability - Beginning of Year	\$ 102,631,933
Service cost	5,887,447
Interest	2,326,199
Changes of benefit terms	-
Differences between expected and actual experience	(4,068,122)
Changes in assumptions or other inputs	(23,482,569)
Benefit payments	<u>(1,658,825)</u>
Total OPEB Liability - End of Year	<u>\$ 81,636,063</u>

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

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability	<u>\$ 97,832,052</u>	<u>\$ 81,636,063</u>	<u>\$ 68,903,504</u>

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (4.1% decreasing to 3.04%) or 1 percentage point higher (6.1% decreasing to 5.04%) than the current healthcare cost trend rates:

Hastings-On-Hudson Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2022

Note 3 - Detailed Notes on All Funds (Continued)

	1% Decrease (4.1% decreasing to 3.04%)	Current Healthcare Cost Trend Rates (5.1% decreasing to 4.04%)	1% Increase (6.1% decreasing to 5.04%)
Total OPEB Liability	<u>\$ 65,828,964</u>	<u>\$ 81,636,063</u>	<u>\$ 102,888,313</u>

For the year ended June 30, 2022, the School District recognized OPEB expense of \$7,857,128 in the district-wide financial statements. At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 23,428,094	\$ 26,962,292
Differences between expected and actual experience	<u>2,334,794</u>	<u>11,204,444</u>
	<u>\$ 25,762,888</u>	<u>\$ 38,166,736</u>

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

Year Ended June 30,	
2023	\$ (356,518)
2024	(356,518)
2025	(356,518)
2026	(356,518)
2027	(57,693)
Thereafter	<u>(10,920,083)</u>
	<u>\$ (12,403,848)</u>

Hastings-On-Hudson Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2022

Note 3 - Detailed Notes on All Funds (Continued)

F. Revenues and Expenditures

Interfund Transfers

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without equivalent flows of assets in return. The interfund transfers reflected below have been reported as transfers.

Transfers Out	Transfers In				Total
	General Fund	Capital Projects Fund	Special Aid Fund	Non-Major Governmental Funds	
General Fund	\$ -	\$ 100,000	\$ 46,336	\$ 662,137	\$ 808,473
Special Aid Fund	649,507	-	-	-	649,507
	<u>\$ 649,507</u>	<u>\$ 100,000</u>	<u>\$ 46,336</u>	<u>\$ 662,137</u>	<u>\$ 1,457,980</u>

Transfers are used to 1) move funds from the operating funds to the Debt Service Fund as debt service principal and interest payments become due, 2) move amounts earmarked in the operating funds to fulfill commitments for the Special Aid Fund and 3) move funds from the operating funds to the Capital Projects Fund to fund capital projects, 4) move funds from the Special Aid Fund to the General Fund for reimbursements from federal stimulus grants.

G. Net Position

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Tax Certiorari - the component of net position that has been established in accordance with Education Law to provide funding for court ordered tax refunds which are currently in process.

Restricted for Liability Claims - the component of net position that has been established to set aside funds to be used for the payment of future claims made upon the School District in accordance with Section 6-n of the General Municipal Law of the State of New York.

Restricted for Unemployment Benefits - the component of net position that has been established to set aside funds to be used for a specific purpose in accordance with Section 6-m of the General Municipal Law of the State of New York.

Restricted for ERS Retirement System Contributions - the component of net position that reports the amounts set aside to be used for ERS retirement costs in accordance with Section 6-r of General Municipal Law of the State of New York.

Note 3 - Detailed Notes on All Funds (Continued)

Restricted for TRS Retirement Contributions - the component of net position that reports the amounts set aside to be used for TRS retirement costs in accordance with Section 6-r of the General Municipal Law of the State of New York.

Restricted for Debt Service - the component of net position that reports the difference between assets and liabilities of the Debt Service Fund and other assets with constraints placed on their use by Local Finance Law.

Restricted for Capital Projects - the component of net position that reports the amounts restricted for capital projects, exclusive of unexpended bond proceeds and unrestricted interest earnings.

Restricted for Future Capital Projects - the component of net position that has been established in accordance with General Municipal Law to set aside funds to be used for future capital projects.

Restricted for Special Purposes - the component of net position that has been established to set aside funds to be used for extraclassroom activities and other purposes with constraints placed on their use by either external parties and/or statute.

Unrestricted - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets".

Hastings-On-Hudson Union Free School District, New York

Notes to Financial Statements (Continued)

June 30, 2022

Note 3 - Detailed Notes on All Funds (Continued)

H. Fund Balances

	2022				2021			
	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable								
Inventories	\$ -	\$ -	\$ 4,061	\$ 4,061	\$ -	\$ -	\$ 2,262	\$ 2,262
Restricted								
Tax certiorari	1,732,033	-	-	1,732,033	1,498,288	-	-	1,498,288
Tax certiorari - for subsequent year's expenditures	100,000	-	-	100,000	100,000	-	-	100,000
Employee benefit accrued liability	570,827	-	-	570,827	490,674	-	-	490,674
Liability Claims	1,431,205	-	-	1,431,205	760,597	-	-	760,597
Unemployment Benefits	150,203	-	-	150,203	150,083	-	-	150,083
ERS retirement contributions	1,484,387	-	-	1,484,387	1,583,121	-	-	1,583,121
ERS Retirement contributions - for subsequent year's expenditures	850,000	-	-	850,000	650,000	-	-	650,000
TRS retirement contributions	652,473	-	-	652,473	452,111	-	-	452,111
Debt service	20,490	-	830,911	851,401	20,474	-	566,745	587,219
Future capital projects	1,327,371	-	-	1,327,371	1,327,371	-	-	1,327,371
Capital projects	-	2,128,026	-	2,128,026	-	-	-	-
Special purposes - extraclassroom activities	-	-	62,643	62,643	-	-	65,102	65,102
Special purposes - other	-	-	166,569	166,569	-	-	102,976	102,976
Total Restricted	8,318,989	2,128,026	1,060,123	11,507,138	7,032,719	-	734,823	7,767,542
Assigned								
Purchases on order								
General government support	89,857	-	-	89,857	139,654	-	-	139,654
Instruction	261,760	-	-	261,760	373,031	-	-	373,031
Pupil Transportation	-	-	-	-	-	-	-	-
	351,617	-	-	351,617	512,685	-	-	512,685
Subsequent year's expenditures	854,843	-	-	854,843	534,843	-	-	534,843
School Lunch Fund	-	-	100,677	100,677	-	-	35,520	35,520
Total Assigned	1,206,460	-	100,677	1,307,137	1,047,528	-	35,520	1,083,048
Unassigned	2,043,172	-	-	2,043,172	2,110,319	(7,002,444)	-	(4,892,125)
Total Fund Balance	\$ 11,568,621	\$ 2,128,026	\$ 1,164,861	\$ 14,861,508	\$ 10,190,566	\$ (7,002,444)	\$ 772,605	\$ 3,960,727

Note 3 - Detailed Notes on All Funds (Continued)

Certain elements of fund balance are described above. Those additional elements, which are not reflected in the Statement of Net Position but are reported in the governmental funds balance sheet are described below.

Inventories in the School Lunch fund have been classified as nonspendable to indicate that a portion of fund balance is not "available" for expenditure because the asset is in the form of commodities and the School District anticipates utilizing them in the normal cause of operations.

Employee Benefit Accrued Liability - the component of fund balance that has been restricted pursuant to General Municipal Law to provide funds for the payment of unused sick time and other forms of payment for accrued leave time granted upon termination or separation from service.

Purchases on order are assigned and represent the School District's intention to honor the contracts in process at year-end. The subsequent year's appropriation will be amended to provide authority to complete the transactions.

Subsequent year's expenditures represent that at June 30, 2022, the Board of Education has utilized the above amounts to be appropriated for the ensuing year's budget.

Assigned for School Lunch Fund - represents the component of fund balance that reports the difference between assets and liabilities in the School Lunch Fund.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted, committed or assigned.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

There are currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the School 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. Additional payments resulting from adverse decisions will be funded in the year the payment is made.

At June 30, 2022, the School District is involved in cases with the parents of students in which the parents are seeking tuition reimbursement for their unilateral placement of the student at the various schools. These cases are presently being defended. If the parents are successful, the School District could be obligated for the parents' attorney fees and tuition. No amounts have been accrued in these financial statements for this purpose as the ultimate outcome of these cases is presently undeterminable.

B. Contingencies

The School District participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Uniform Guidance. Accordingly, the School District's compliance with applicable grant requirements may be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the School District anticipates such amounts, if any, to be immaterial.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

The School District is subject to audits of State aid by the New York State Education Department. The amount of aid previously paid to the School District which may be disallowed cannot be determined at this time, although the School District anticipates such amounts, if any, to be immaterial.

C. Risk Management

The School District and other school districts have formed a reciprocal insurance company to be owned by these districts. This Company operates under an agreement effective July 1, 1989. The purpose of the Company is to provide general liability, auto liability, all risk building and contents and auto physical damage coverage. In addition, as part of the reciprocal program, excess insurance, school board legal liability, equipment floaters, boilers and machinery and crime and bond coverages will be purchased from commercial carriers and be available to the subscriber districts. The Company retains a management company which is responsible for the overall supervision and management of the reciprocal. The reciprocal is managed by a Board of Governors and an Attorney-in-fact, which is comprised of employees of the subscriber districts. The subscribers have elected those who sit on the board and each subscriber has a single vote. The Company is an "assessable" insurance company, in that, the subscribers are severally liable for any financial shortfall of the Company and can be assessed their proportionate share by the State Insurance Department if the funds of the Company are less than what is required to satisfy its liabilities. The subscriber districts are required to pay premiums as well as a minimum capital contribution.

The School District purchases various insurance coverages from the Company to reduce its exposure to loss. The School District maintains a general liability insurance policy with coverage up to \$1 million per occurrence. The School District maintains liability coverage for school board members up to \$1 million. The School District also maintains an excess catastrophe liability policy with coverage up to \$25 million. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The School District and neighboring school districts in Southern Westchester County participate in the Southern Westchester Schools Cooperative Self-Insurance Plan for Workers' Compensation. The purpose of the Plan is to provide efficient and economical evaluation, processing, administration, defense and payment of claims against plan members for workers' compensation and to provide for risk management to reduce future liability for workers' compensation and employers' liability payments. The Plan is managed and governed by a Board of Trustees comprised of a representative from each district. Billings are based upon the participants' experience rating. The School District has transferred all related risk to the Plan.

The School District and neighboring school districts in Southern Westchester County participate in the State-Wide Schools Cooperative Health Plan. This Plan operates under an agreement, as amended, dated December 12, 1985. The purposes of the Plan are to effect cost savings in members' expenses for health coverage; to provide for centralized administration, funding and disbursements for health coverage; and to provide for such risk management services as may be appropriate to reduce future expense and liability for health coverage. The governance of the Plan shall be in all respects in the hands of the Board of Trustees. The Board of Trustees shall consist of seven trustees elected by the general membership of the Plan. No action may be taken by the Board of Trustees except by a vote of a majority of the total number of trustees. Billings to participants are based upon coverage provided to each participant's employees. The School District has transferred all related risk to the Plan.

Hastings-On-Hudson Union Free School District, New York

Notes to Financial Statements (Concluded)

June 30, 2022

Note 5 - Recently Issued GASB Pronouncements

GASB Statement No. 96, "Subscription-Based Information Technology Arrangements" provides guidance on the accounting and financial reporting for subscription-based information technology arrangements ("SBITAs") for government end users. This Statement defines a SBITA and establishes that a SBITA results in a right-to-use subscription asset (intangible asset) and a corresponding liability. The Statement also provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, as well as detailing the requirements for note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

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Hastings-on-Hudson Union Free School District, New York

Required Supplementary Information - Schedule of Changes in the School District's Total OPEB Liability and Related Ratios Last Ten Fiscal Years (1)(2)

	2022	2021	2020	2019	2018
Total OPEB Liability:					
Service cost	\$ 5,887,447	\$ 6,113,474	\$ 4,109,006	\$ 1,967,225	\$ 2,046,669
Interest	2,326,199	2,539,471	3,045,589	2,399,060	2,156,899
Changes of benefit terms	-	(119,330)	-	-	-
Differences between expected and actual experience	(4,068,122)	(7,604,852)	(3,015,515)	4,202,630	-
Changes of assumptions or other inputs	(23,482,569)	(6,287,357)	23,612,074	15,606,987	(3,045,590)
Benefit payments	(1,658,825)	(1,599,655)	(1,627,744)	(1,452,456)	(1,326,449)
Net Change in Total OPEB Liability	(20,995,870)	(6,958,249)	26,123,410	22,723,446	(168,471)
Total OPEB Liability – Beginning of Year	102,631,933	109,590,182	83,466,772	60,743,326	60,911,797 (3)
Total OPEB Liability – End of Year	<u>\$ 81,636,063</u>	<u>\$ 102,631,933</u>	<u>\$ 109,590,182</u>	<u>\$ 83,466,772</u>	<u>\$ 60,743,326</u>
School District's covered employee payroll	<u>\$ 24,942,780</u>	<u>\$ 24,874,335</u>	<u>\$ 25,957,919</u>	<u>\$ 23,640,143</u>	<u>\$ 23,937,435</u>
Total OPEB liability as a percentage of covered - employee payroll	<u>327%</u>	<u>413%</u>	<u>422%</u>	<u>353%</u>	<u>254%</u>
*Discount Rate	<u>3.54%</u>	<u>2.16%</u>	<u>2.21%</u>	<u>3.51%</u>	<u>3.87%</u>

(1) Data not available prior to fiscal year 2018 implementation of Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

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

(3) Restated for the implementation of the provisions of GASB Statement No. 75.

Hastings-on-Hudson Union Free School District, New York

Required Supplementary Information
New York State Teachers' Retirement System
Last Ten Fiscal Years (1)

Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset) (2)

	2022 (4)	2021 (3)	2020	2019	2018	2017	2016	2015
School District's proportion of the net pension liability (asset)	0.135192%	0.136613%	0.131508%	0.129438%	0.126703%	0.125303%	0.125888%	0.126180%
School District's proportionate share of the net pension liability (asset)	\$ (23,427,562)	\$ 3,774,984	\$ (3,416,594)	\$ (2,340,574)	\$ (963,071)	\$ 1,342,046	\$ (13,075,778)	\$ (14,055,624)
School District's covered payroll	\$ 23,725,236	\$ 23,790,158	\$ 22,710,088	\$ 21,686,282	\$ 20,650,000	\$ 19,978,000	\$ 19,324,000	\$ 19,034,000
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(98.75)%	15.87%	(15.04)%	(10.79)%	(4.66)%	6.72%	(67.67)%	(73.84)%
Plan fiduciary net position as a percentage of the total pension liability	113.20%	97.76%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%
Discount Rate	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%	8.00%

Schedule of Contributions

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 2,391,943	\$ 2,261,015	\$ 2,107,808	\$ 2,411,811	\$ 2,125,256	\$ 2,420,168	\$ 2,649,067	\$ 3,387,422
Contributions in relation to the contractually required contribution	(2,391,943)	(2,261,015)	(2,107,808)	(2,411,811)	(2,125,256)	(2,420,168)	(2,649,067)	(3,387,422)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 24,407,579	\$ 23,725,236	\$ 23,790,158	\$ 22,710,088	\$ 21,686,282	\$ 20,650,000	\$ 19,978,000	\$ 19,324,000
Contributions as a percentage of covered payroll	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".

(2) The amounts presented for each fiscal year were determined as of the June 30 measurement date of the prior fiscal year.

(3) Increase in the School District's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

(4) Decrease in the School District's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

See independent auditors' report.

Hastings-on-Hudson Union Free School District, New York

Required Supplementary Information
 New York State and Local Employees' Retirement System
 Last Ten Fiscal Years (1)

Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset) (2)								
	2022 (5)	2021 (4)	2020 (3)	2019	2018	2017	2016 (3)	2015
School District's proportion of the net pension liability (asset)	0.0146110%	0.0137620%	0.0155258%	0.0150164%	0.013976%	0.014336%	0.014238%	0.014036%
School District's proportionate share of the net pension liability (asset)	\$ (1,194,388)	\$ 13,703	\$ 4,111,309	\$ 1,063,960	\$ 451,063	\$ 1,347,035	\$ 2,285,168	\$ 474,157
School District's covered payroll	\$ 4,933,258	\$ 4,863,968	\$ 4,823,120	\$ 4,407,649	\$ 4,025,661	\$ 4,015,853	\$ 3,805,000	\$ 4,018,000
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(24.21)%	0.28%	85.24%	24.14%	11.20%	33.54%	60.06%	11.80%
Plan fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%
Discount Rate	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%
Schedule of Contributions								
	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 785,346	\$ 698,064	\$ 661,169	\$ 631,914	\$ 593,212	\$ 595,517	\$ 634,470	\$ 693,093
Contributions in relation to the contractually required contribution	(785,346)	(698,064)	(661,169)	(631,914)	(593,212)	(595,517)	(634,470)	(693,093)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 5,009,776	\$ 4,885,764	\$ 4,774,706	\$ 4,757,500	\$ 4,438,062	\$ 4,092,000	\$ 4,056,000	\$ 4,018,000
Contributions as a percentage of covered payroll	15.68%	14.29%	13.85%	13.28%	13.37%	14.55%	15.64%	17.25%

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".

(2) The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(3) Increase in the School District's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

(4)(5) Decrease in the School District's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

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Hastings-on-Hudson Union Free School District, New York

General Fund
Comparative Balance Sheet
June 30,

	2022	2021
ASSETS		
Cash and equivalents	\$ 13,485,693	\$ 13,165,967
Receivables		
Accounts	242,835	1,755
State and Federal aid	828,688	515,767
Due from other governments	200,000	207,248
Due from other funds	863,939	216,806
	2,135,462	941,576
Total Assets	\$ 15,621,155	\$ 14,107,543
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 834,878	\$ 779,837
Accrued liabilities	97,598	95,996
Due to retirement systems	2,848,100	2,843,709
Employee payroll deductions	127,009	67,553
Deposits payable	117,510	104,681
Unearned revenues	27,439	25,201
Total Liabilities	4,052,534	3,916,977
Fund balance		
Restricted	8,318,989	7,032,719
Assigned	1,206,460	1,047,528
Unassigned	2,043,172	2,110,319
Total Fund Balance	11,568,621	10,190,566
Total Liabilities and Fund Balance	\$ 15,621,155	\$ 14,107,543

See independent auditors' report.

Hastings-on-Hudson Union Free School District, New York

General Fund
Comparative Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Years Ended June 30,

	2022				
	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
REVENUES					
Real property taxes	\$ 42,382,786	\$ 42,382,786	\$ 42,382,786	\$	\$ -
Other tax items	2,172,971	2,172,971	2,179,224		6,253
Non-property taxes	600,000	600,000	909,526		309,526
Charges for services	545,000	545,000	975,239		430,239
Use of money and property	30,000	30,000	24,829		(5,171)
Sale of property and compensation for loss	-	-	1,510		1,510
State aid	5,708,311	5,708,311	5,910,870		202,559
Federal aid	-	10,988	10,988		-
Miscellaneous	100,000	100,000	266,527		166,527
Total Revenues	51,539,068	51,550,056	52,661,499		1,111,443
EXPENDITURES					
Current					
General support					
Board of education	63,765	78,772	78,070	-	702
Central administration	373,293	387,847	385,176	-	2,671
Finance	660,479	696,979	679,158	1,450	16,371
Staff	383,572	439,191	363,160	-	76,031
Central services	2,908,669	3,450,465	3,268,078	88,407	93,980
Special items	546,000	641,926	639,066	-	2,860
Total General Support	4,935,778	5,695,180	5,412,708	89,857	192,615
Instruction					
Instruction, administration and improvement	1,723,367	1,777,850	1,754,968	919	21,963
Teaching - Regular school	17,279,055	16,977,863	16,625,514	133,210	219,139
Programs for students with disabilities	8,665,101	8,512,007	8,236,259	37,666	238,082
Occupational education	40,000	26,417	21,091	-	5,326
Instructional media	1,751,311	2,166,250	1,963,100	40,760	162,390
Pupil services	3,792,296	3,827,541	3,592,208	49,205	186,128
Total Instruction	33,251,130	33,287,928	32,193,140	261,760	833,028
Pupil transportation	1,372,700	1,467,835	1,427,647	-	40,188
Employee benefits	12,828,630	12,077,037	11,939,762	-	137,275
Debt service					
Principal	127,035	127,035	127,035	-	-
Interest	24,186	24,186	24,186	-	-
Total Expenditures	52,539,459	52,679,201	51,124,478	351,617	1,203,106
Excess (Deficiency) of Revenues Over Expenditures	(1,000,391)	(1,129,145)	1,537,021	(351,617)	2,314,549
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	649,507	-	649,507
Transfers out	(797,137)	(815,837)	(808,473)	-	7,364
Total Other Financing Sources (Uses)	(797,137)	(815,837)	(158,966)	-	656,871
Net Change in Fund Balance	(1,797,528)	(1,944,982)	1,378,055	\$ (351,617)	\$ 2,971,420
FUND BALANCE					
Beginning of Year	1,797,528	1,944,982	10,190,566		
End of Year	\$ -	\$ -	\$ 11,568,621		

See independent auditors' report.

2021

Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
\$ 41,432,773	\$ 41,432,773	\$ 41,416,294	\$	\$ (16,479)
2,424,311	2,424,311	2,429,836		5,525
500,000	500,000	812,067		312,067
560,000	560,000	770,935		210,935
30,000	30,000	37,028		7,028
-	-	56,612		56,612
4,433,075	4,433,075	5,311,868		878,793
-	-	7,543		7,543
100,000	100,000	175,245		75,245
49,480,159	49,480,159	51,017,428		1,537,269
61,174	65,693	61,758	215	3,720
365,000	370,439	365,068	-	5,371
694,189	732,944	713,003	8,369	11,572
343,500	380,283	331,324	40	48,919
2,836,165	3,522,748	3,257,562	131,030	134,156
507,000	583,866	560,860	-	23,006
4,807,028	5,655,973	5,289,575	139,654	226,744
1,676,867	1,735,589	1,675,945	2,892	56,752
17,021,155	16,774,372	16,152,404	73,809	548,159
8,365,025	8,207,241	7,641,954	206,552	358,735
41,390	51,669	51,669	-	-
1,638,290	2,215,833	2,091,489	15,926	108,418
3,618,390	3,683,373	3,337,342	73,852	272,179
32,361,117	32,668,077	30,950,803	373,031	1,344,243
1,473,294	1,111,539	1,044,103	-	67,436
12,488,267	11,768,892	11,637,737	-	131,155
122,887	122,887	122,887	-	-
28,335	28,335	28,335	-	-
51,280,928	51,355,703	49,073,440	512,685	1,769,578
(1,800,769)	(1,875,544)	1,943,988	(512,685)	3,306,847
-	-	-	-	-
(780,388)	(906,469)	(902,935)	-	3,534
(780,388)	(906,469)	(902,935)	-	3,534
(2,581,157)	(2,782,013)	1,041,053	\$ (512,685)	\$ 3,310,381
2,581,157	2,782,013	9,149,513		
\$ -	\$ -	\$ 10,190,566		

Hastings-on-Hudson Union Free School District, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REAL PROPERTY TAXES	<u>\$ 42,382,786</u>	<u>\$ 42,382,786</u>	<u>\$ 42,382,786</u>	<u>\$ -</u>
OTHER TAX ITEMS				
Payments in lieu of taxes	-	-	6,253	6,253
School tax relief reimbursement	<u>2,172,971</u>	<u>2,172,971</u>	<u>2,172,971</u>	<u>-</u>
	<u>2,172,971</u>	<u>2,172,971</u>	<u>2,179,224</u>	<u>6,253</u>
NON-PROPERTY TAXES				
Non-property tax distribution from County	<u>600,000</u>	<u>600,000</u>	<u>909,526</u>	<u>309,526</u>
CHARGES FOR SERVICES				
Day school tuition	430,000	430,000	737,957	307,957
Other student fees and charges	45,000	45,000	84,928	39,928
Health services for other districts	<u>70,000</u>	<u>70,000</u>	<u>152,354</u>	<u>82,354</u>
	<u>545,000</u>	<u>545,000</u>	<u>975,239</u>	<u>430,239</u>
USE OF MONEY AND PROPERTY				
Earnings on investments	<u>30,000</u>	<u>30,000</u>	<u>24,829</u>	<u>(5,171)</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Other	<u>-</u>	<u>-</u>	<u>1,510</u>	<u>1,510</u>
STATE AID				
Basic formula	3,512,308	3,512,308	3,512,308	-
BOCES	915,000	915,000	1,204,389	289,389
Lottery	1,141,003	1,141,003	1,057,166	(83,837)
Textbook aid	96,000	96,000	96,288	288
Computer software aid	35,000	35,000	29,488	(5,512)
Library aid	9,000	9,000	10,231	1,231
Other	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>
	<u>5,708,311</u>	<u>5,708,311</u>	<u>5,910,870</u>	<u>202,559</u>

FEDERAL AID

Elementary and Secondary School Emergency

Relief Fund (CARES)

Governor's Emergency Education Relief Fund (CARES)

-	4,010	4,010	-
-	6,978	6,978	-
-	10,988	10,988	-

MISCELLANEOUS

Refund of BOCES aided services

Refund of prior year's expenditures

Other

75,000	75,000	138,904	63,904
25,000	25,000	118,642	93,642
-	-	8,981	8,981
100,000	100,000	266,527	166,527

TOTAL REVENUES

51,539,068	51,550,056	52,661,499	1,111,443
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OTHER FINANCING SOURCES

Transfers in - Special Aid Fund

-	-	649,507	649,507
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**TOTAL REVENUES AND OTHER
FINANCING SOURCES**

\$ 51,539,068	\$ 51,550,056	\$ 53,311,006	\$ 1,760,950
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See independent auditors' report.

Hastings-on-Hudson Union Free School District, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Variance with Final Budget</u>
GENERAL SUPPORT					
<i>BOARD OF EDUCATION</i>					
Board of education	\$ 33,915	\$ 35,288	\$ 34,650	\$ -	\$ 638
District clerk	<u>29,850</u>	<u>43,484</u>	<u>43,420</u>	<u>-</u>	<u>64</u>
Total Board of Education	<u>63,765</u>	<u>78,772</u>	<u>78,070</u>	<u>-</u>	<u>702</u>
<i>CENTRAL ADMINISTRATION</i>					
Chief school administrator	<u>373,293</u>	<u>387,847</u>	<u>385,176</u>	<u>-</u>	<u>2,671</u>
<i>FINANCE</i>					
Business administration	582,947	619,447	605,726	1,450	12,271
Accounting and auditing	70,200	70,200	66,100	-	4,100
Treasurer	<u>7,332</u>	<u>7,332</u>	<u>7,332</u>	<u>-</u>	<u>-</u>
Total Finance	<u>660,479</u>	<u>696,979</u>	<u>679,158</u>	<u>1,450</u>	<u>16,371</u>
<i>STAFF</i>					
Legal	165,000	190,721	136,418	-	54,303
Personnel	125,540	128,610	126,887	-	1,723
Public information and services	<u>93,032</u>	<u>119,860</u>	<u>99,855</u>	<u>-</u>	<u>20,005</u>
Total Staff	<u>383,572</u>	<u>439,191</u>	<u>363,160</u>	<u>-</u>	<u>76,031</u>

CENTRAL SERVICES

Operation of plant	2,575,184	3,089,178	2,923,130	82,706	83,342
Maintenance of plant	333,485	361,287	344,948	5,701	10,638

Total Central Services	2,908,669	3,450,465	3,268,078	88,407	93,980
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SPECIAL ITEMS

Unallocated insurance	207,000	227,216	227,216	-	-
Assessments on school property	67,000	67,720	64,860	-	2,860
Refunds of real property taxes	-	67,454	67,454	-	-
Administrative charge - BOCES	272,000	279,536	279,536	-	-

Total Special Items	546,000	641,926	639,066	-	2,860
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Total General Support	4,935,778	5,695,180	5,412,708	89,857	192,615
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INSTRUCTION**INSTRUCTION, ADMINISTRATION AND IMPROVEMENT**

Curriculum development and supervision	265,031	272,047	267,606	-	4,441
Supervision - Regular school	1,458,336	1,505,803	1,487,362	919	17,522

Total Instruction, Administration and Improvement	1,723,367	1,777,850	1,754,968	919	21,963
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TEACHING - REGULAR SCHOOL	17,279,055	16,977,863	16,625,514	133,210	219,139
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PROGRAMS FOR STUDENTS WITH DISABILITIES	8,665,101	8,512,007	8,236,259	37,666	238,082
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OCCUPATIONAL EDUCATION	40,000	26,417	21,091	-	5,326
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(Continued)

Hastings-on-Hudson Union Free School District, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)

Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Variance with Final Budget</u>
INSTRUCTION (Continued)					
<i>INSTRUCTIONAL MEDIA</i>					
School library and audiovisual	\$ 371,358	\$ 443,628	\$ 396,239	\$ 6,665	\$ 40,724
Computer assisted instruction	<u>1,379,953</u>	<u>1,722,622</u>	<u>1,566,861</u>	<u>34,095</u>	<u>121,666</u>
Total Instructional Media	<u>1,751,311</u>	<u>2,166,250</u>	<u>1,963,100</u>	<u>40,760</u>	<u>162,390</u>
<i>PUPIL SERVICES</i>					
Guidance - Regular school	1,261,942	1,204,429	1,165,473	209	38,747
Health services - Regular school	468,437	615,640	550,316	8,611	56,713
Psychological services - Regular school	699,987	690,987	658,422	-	32,565
Co-curricular activities - Regular school	442,642	372,102	331,652	-	40,450
Interscholastic athletics - Regular school	<u>919,288</u>	<u>944,383</u>	<u>886,345</u>	<u>40,385</u>	<u>17,653</u>
Total Pupil Services	<u>3,792,296</u>	<u>3,827,541</u>	<u>3,592,208</u>	<u>49,205</u>	<u>186,128</u>
Total Instruction	<u>33,251,130</u>	<u>33,287,928</u>	<u>32,193,140</u>	<u>261,760</u>	<u>833,028</u>
PUPIL TRANSPORTATION					
District transportation services	52,700	52,835	48,919	-	3,916
Contract transportation	<u>1,320,000</u>	<u>1,415,000</u>	<u>1,378,728</u>	<u>-</u>	<u>36,272</u>
Total Pupil Transportation	<u>1,372,700</u>	<u>1,467,835</u>	<u>1,427,647</u>	<u>-</u>	<u>40,188</u>

EMPLOYEE BENEFITS

State retirement	773,240	788,740	713,487	-	75,253
Teachers' retirement	2,559,780	2,238,557	2,233,908	-	4,649
Social security	2,193,470	2,185,770	2,185,770	-	-
Workers' compensation benefits	210,000	210,000	193,136	-	16,864
Life insurance	10,000	11,107	11,107	-	-
Unemployment benefits	20,000	8,760	7,336	-	1,424
Hospital, medical and dental insurance	6,630,530	6,180,233	6,147,918	-	32,315
Union welfare benefits	431,610	453,870	447,100	-	6,770
	<u>12,828,630</u>	<u>12,077,037</u>	<u>11,939,762</u>	<u>-</u>	<u>137,275</u>
Total Employee Benefits					

DEBT SERVICE

Principal					
Energy performance contract debt	127,035	127,035	127,035	-	-
Interest					
Energy performance contract debt	24,186	24,186	24,186	-	-
	<u>151,221</u>	<u>151,221</u>	<u>151,221</u>	<u>-</u>	<u>-</u>
Total Debt Service					

TOTAL EXPENDITURES

	<u>52,539,459</u>	<u>52,679,201</u>	<u>51,124,478</u>	<u>351,617</u>	<u>1,203,106</u>
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OTHER FINANCING USES

Transfers out					
Special Aid Fund	35,000	53,700	46,336	-	7,364
Debt Service Fund	662,137	662,137	662,137	-	-
Capital Projects Fund	100,000	100,000	100,000	-	-
	<u>797,137</u>	<u>815,837</u>	<u>808,473</u>	<u>-</u>	<u>7,364</u>
TOTAL OTHER FINANCING USES					

TOTAL EXPENDITURES AND OTHER FINANCING USES

	<u>\$ 53,336,596</u>	<u>\$ 53,495,038</u>	<u>\$ 51,932,951</u>	<u>\$ 351,617</u>	<u>\$ 1,210,470</u>
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See independent auditors' report.

Hastings-on-Hudson Union Free School District, New York

Capital Projects Fund
Comparative Balance Sheet
June 30,

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and equivalents	<u>\$ 3,261,921</u>	<u>\$ 9,684,680</u>
LIABILITIES AND FUND BALANCE (DEFICIT)		
Liabilities		
Accounts payable	\$ 355,054	\$ 1,172,445
Bond anticipation notes payable	-	15,000,000
Due to other funds	<u>778,841</u>	<u>514,679</u>
Total Liabilities	<u>1,133,895</u>	<u>16,687,124</u>
Fund balance (deficit)		
Restricted	2,128,026	-
Unassigned	<u>-</u>	<u>(7,002,444)</u>
Total Fund Balance (Deficit)	<u>2,128,026</u>	<u>(7,002,444)</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 3,261,921</u>	<u>\$ 9,684,680</u>

See independent auditors' report.

Hastings-on-Hudson Union Free School District, New York

Capital Projects Fund
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balance
Years Ended June 30,

	<u>2022</u>	<u>2021</u>
REVENUES	\$ -	\$ -
EXPENDITURES		
Capital outlay	<u>9,353,144</u>	<u>6,471,072</u>
Deficiency of Revenues Over Expenditures	<u>(9,353,144)</u>	<u>(6,471,072)</u>
OTHER FINANCING SOURCES		
Transfers in	100,000	100,000
General obligation bonds issued	16,560,000	-
Issuance premium	<u>1,823,614</u>	<u>-</u>
Total Other Financing Sources	<u>18,483,614</u>	<u>100,000</u>
Net Change in Fund Balance	9,130,470	(6,371,072)
FUND BALANCE (DEFICIT)		
Beginning of Year	<u>(7,002,444)</u>	<u>(631,372)</u>
End of Year	<u>\$ 2,128,026</u>	<u>\$ (7,002,444)</u>

See independent auditors' report.

Hastings-on-Hudson Union Free School District, New YorkCapital Projects Fund
Project-Length Schedule

Inception of Project Through June 30, 2022

Project	Authori- zation	Expenditures and Transfers To Date		
		Prior Years	Current Year	Totals
District-Wide Improvements - 2015/16	\$ 8,150,701	\$ 8,109,113	\$ -	\$ 8,109,113
Capital Improvements - 2019/20	100,000	98,709	1,291	100,000
Capital Improvements - 2020/21	100,000	72,070	27,930	100,000
Capital Improvements - 2021/22	100,000	-	96,786	96,786
District-Wide Improvements - 2019/20	19,103,614	7,824,220	9,227,137	17,051,357
Excel	907,969	877,002	-	877,002
Totals	<u>\$ 28,462,284</u>	<u>\$ 16,981,114</u>	<u>\$ 9,353,144</u>	<u>\$ 26,334,258</u>

See independent auditors' report.

Unexpended Balance	Methods of Financing			Fund Balance at June 30, 2022
	Proceeds of Obligations	Interfund Transfers	Revenues	
\$ 41,588	\$ 8,150,701	\$ -	\$ 8,150,701	\$ 41,588
-	-	100,000	100,000	-
-	-	100,000	100,000	-
-	-	100,000	100,000	3,214
2,052,257	18,383,614	720,000	19,103,614	2,052,257
30,967	-	907,969	907,969	30,967
<u>\$ 2,124,812</u>	<u>\$ 26,534,315</u>	<u>\$ 1,927,969</u>	<u>\$ 28,462,284</u>	<u>\$ 2,128,026</u>

Hastings-on-Hudson Union Free School District, New York

Special Aid Fund
Comparative Balance Sheet
June 30,

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and equivalents	<u>\$ 163,709</u>	<u>\$ 102,905</u>
Receivables		
Accounts	25	25
State and Federal aid	<u>863,842</u>	<u>155,956</u>
	<u>863,867</u>	<u>155,981</u>
Total Assets	<u><u>\$ 1,027,576</u></u>	<u><u>\$ 258,886</u></u>
LIABILITIES		
Accounts payable	\$ 85,533	\$ -
Accrued liabilities	2,293	-
Due to other funds	900,004	252,882
Unearned revenues	<u>39,746</u>	<u>6,004</u>
Total Liabilities	<u><u>\$ 1,027,576</u></u>	<u><u>\$ 258,886</u></u>

See independent auditors' report.

Hastings-on-Hudson Union Free School District, New York

Special Aid Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,

	2022	2021
REVENUES		
State aid	\$ 229,437	\$ 113,286
Federal aid	1,241,699	368,729
Total Revenues	1,471,136	482,015
EXPENDITURES		
Current		
General support	182,640	-
Instruction	685,325	574,562
Total Expenditures	867,965	574,562
Excess (Deficiency) of Revenues Over Expenditures	603,171	(92,547)
OTHER FINANCING SOURCES (USES)		
Transfers in	46,336	92,547
Transfers out	(649,507)	-
Total Other Financing Sources (Uses)	(603,171)	92,547
Net Change in Fund Balance	-	-
FUND BALANCE		
Beginning of Year	-	-
End of Year	\$ -	\$ -

See independent auditors' report.

Hastings-on-Hudson Union Free School District, New York

Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2022
(With Comparative Totals for 2021)

	School Lunch	Special Purpose	Debt Service
ASSETS			
Cash and equivalents	\$ 222,004	\$ 226,828	\$ 19,213
Receivables			
Accounts	15,104	-	-
Due from other funds	824	2,384	811,698
	15,928	2,384	811,698
Inventories	4,061	-	-
Total Assets	\$ 241,993	\$ 229,212	\$ 830,911
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 93,592	\$ -	\$ -
Due to other governments	10,073	-	-
Unearned revenues	33,590	-	-
Total Liabilities	137,255	-	-
Fund balances			
Nonspendable	4,061	-	-
Restricted	-	229,212	830,911
Assigned	100,677	-	-
Total Fund Balances	104,738	229,212	830,911
Total Liabilities and Fund Balances	\$ 241,993	\$ 229,212	\$ 830,911

See independent auditors report.

Total Non-Major Governmental Funds	
2022	2021
\$ 468,045	\$ 243,564
15,104	15,003
814,906	550,755
830,010	565,758
4,061	2,262
\$ 1,302,116	\$ 811,584
\$ 93,592	\$ -
10,073	9,273
33,590	29,706
137,255	38,979
4,061	2,262
1,060,123	734,823
100,677	35,520
1,164,861	772,605
\$ 1,302,116	\$ 811,584

Hastings-on-Hudson Union Free School District, New York

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2022
(With Comparative Totals for 2021)

	School Lunch	Special Purpose	Debt Service
REVENUES			
Use of money and property	\$ 29	\$ 29	\$ 866
Federal aid	1,426	-	-
Food sales	631,331	-	-
Miscellaneous	-	206,373	-
Total Revenues	632,786	206,402	866
EXPENDITURES			
Current			
Cost of food sales	565,830	-	-
Other	-	145,268	-
Debt service			
Principal	-	-	515,000
Interest	-	-	345,137
Total Expenditures	565,830	145,268	860,137
Excess (Deficiency) of Revenues Over Expenditures	66,956	61,134	(859,271)
OTHER FINANCING SOURCES			
Transfers in	-	-	662,137
Premium on bonds	-	-	461,300
Total Other Financing Sources	-	-	1,123,437
Net Change in Fund Balances	66,956	61,134	264,166
FUND BALANCES			
Beginning of Year	37,782	168,078	566,745
End of Year	\$ 104,738	\$ 229,212	\$ 830,911

See independent auditors' report.

Total Non-Major Governmental Funds	
2022	2021
\$ 924	\$ 198,582
1,426	222
631,331	223,597
206,373	166,150
840,054	588,551
565,830	283,783
145,268	242,465
515,000	510,000
345,137	130,388
1,571,235	1,166,636
(731,181)	(578,085)
662,137	710,388
461,300	-
1,123,437	710,388
392,256	132,303
772,605	640,302
\$ 1,164,861	\$ 772,605

Hastings-on-Hudson Union Free School District, New York

School Lunch Fund
Comparative Balance Sheet
June 30,

	2022	2021
ASSETS		
Cash and equivalents	\$ 222,004	\$ 58,672
Receivables		
Accounts	15,104	15,003
Due from other funds	824	824
	15,928	15,827
Inventories	4,061	2,262
Total Assets	\$ 241,993	\$ 76,761
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 93,592	\$ -
Due to other governments	10,073	9,273
Unearned revenues	33,590	29,706
Total Liabilities	137,255	38,979
Fund balance		
Nonspendable	4,061	2,262
Assigned	100,677	35,520
Total Fund Balance	104,738	37,782
Total Liabilities and Fund Balance	\$ 241,993	\$ 76,761

See independent auditors' report.

Hastings-on-Hudson Union Free School District, New York

School Lunch Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,

	<u>2022</u>	<u>2021</u>
REVENUES		
Use of money and property	\$ 29	\$ 9
Federal aid	1,426	222
Food sales	<u>631,331</u>	<u>223,597</u>
Total Revenues	632,786	223,828
EXPENDITURES		
Current		
Cost of food sales	<u>565,830</u>	<u>283,783</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>66,956</u>	<u>(59,955)</u>
OTHER FINANCING SOURCES		
Transfers in	<u>-</u>	<u>70,000</u>
Net Change in Fund Balance	66,956	10,045
FUND BALANCE		
Beginning of Year	<u>37,782</u>	<u>27,737</u>
End of Year	<u>\$ 104,738</u>	<u>\$ 37,782</u>

See independent auditors' report.

Hastings-on-Hudson Union Free School District, New York

Special Purpose Fund
Comparative Balance Sheet
June 30,

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and equivalents	\$ 226,828	\$ 165,683
Due from other funds	<u>2,384</u>	<u>2,395</u>
 Total Assets	 <u><u>\$ 229,212</u></u>	 <u><u>\$ 168,078</u></u>
 FUND BALANCE		
Restricted	<u><u>\$ 229,212</u></u>	<u><u>\$ 168,078</u></u>

See independent auditors' report.

Hastings-on-Hudson Union Free School District, New York

Special Purpose Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended June 30,

	2022	2021
REVENUES		
Use of money and property	\$ 29	\$ 22
Miscellaneous	206,373	166,150
Total Revenues	206,402	166,172
EXPENDITURES		
Current		
Other	145,268	242,465
Excess (Deficiency) of Revenues Over Expenditures	61,134	(76,293)
FUND BALANCE		
Beginning of Year	168,078	244,371
End of Year	\$ 229,212	\$ 168,078

See independent auditors' report.

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Hastings-on-Hudson Union Free School District, New York

Debt Service Fund
Comparative Balance Sheet
June 30,

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and equivalents	\$ 19,213	\$ 19,209
Due from other funds	<u>811,698</u>	<u>547,536</u>
Total Assets	<u>\$ 830,911</u>	<u>\$ 566,745</u>
FUND BALANCE		
Restricted	<u>\$ 830,911</u>	<u>\$ 566,745</u>

See independent auditors' report.

Hastings-on-Hudson Union Free School District, New York

Debt Service Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Years Ended June 30,

	2022			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Use of money and property	\$ -	\$ -	\$ 866	\$ 866
EXPENDITURES				
Debt service				
Principal				
Serial bonds	515,000	515,000	515,000	-
Interest				
Serial bonds	147,137	147,137	120,137	27,000
Bond anticipation notes	-	-	225,000	(225,000)
	147,137	147,137	345,137	(198,000)
Total Expenditures	662,137	662,137	860,137	(198,000)
Deficiency of Revenues Over Expenditures	(662,137)	(662,137)	(859,271)	(197,134)
OTHER FINANCING SOURCES				
Transfers in	662,137	662,137	662,137	-
Premium on bonds	-	-	461,300	461,300
Total Other Financing Sources	662,137	662,137	1,123,437	461,300
Net Change in Fund Balance	-	-	264,166	264,166
FUND BALANCE				
Beginning of Year	-	-	566,745	566,745
End of Year	\$ -	\$ -	\$ 830,911	\$ 830,911

See independent auditors' report.

2021

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ -	\$ -	\$ 198,551	\$ 198,551
510,000	510,000	510,000	-
130,388	130,388	130,388	-
-	-	-	-
130,388	130,388	130,388	-
640,388	640,388	640,388	-
(640,388)	(640,388)	(441,837)	198,551
640,388	640,388	640,388	-
-	-	-	-
640,388	640,388	640,388	-
-	-	198,551	198,551
-	-	368,194	368,194
\$ -	\$ -	\$ 566,745	\$ 566,745

Hastings-on-Hudson Union Free School District, New York

General Fund

Analysis of Change from Adopted Budget to Final Budget

Year Ended June 30, 2022

Adopted Budget	\$ 52,823,911
Additions	
Encumbrances	<u>512,685</u>
Original Budget	53,336,596
Budget Amendments	<u>158,442</u>
Final Budget	<u><u>\$ 53,495,038</u></u>

General Fund

Section 1318 of Real Property Tax Law Limit Calculation

2022-23 Expenditure Budget	<u>\$ 55,293,555</u>
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General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law

Unrestricted fund balance	
Assigned fund balance	\$ 1,206,460
Unassigned fund balance	<u>2,043,172</u>
Total Unrestricted Fund Balance	<u>3,249,632</u>

Less

Appropriated for subsequent year's budget	854,843
Encumbrances	<u>351,617</u>
Total Adjustments	<u>1,206,460</u>

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

\$ 2,043,172

Actual Percentage	<u><u>3.70%</u></u>
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See independent auditors' report.

Hastings-on-Hudson Union Free School District, New York

Schedule of Net Investment in Capital Assets

Year Ended June 30, 2022

Capital Assets, net		\$ 31,787,467
Less		
Bonds payable	\$ (22,270,000)	
Energy performance contract debt payable	(627,760)	
Unamortized portion of premium on bonds	<u>(2,402,325)</u>	(25,300,085)
Plus		
Unexpended bond proceeds		<u>2,093,845</u>
Net Investment in Capital Assets		<u>\$ 8,581,227</u>

See independent auditors' report.

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**Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Independent Auditors' Report

**The Board of Education of the
Hastings-on-Hudson Union Free School District, 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 Hastings-on-Hudson Union Free School District, New York ("School District") as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 11, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 11, 2022



**Report on Compliance For Each Major Federal Program and Report
on Internal Control Over Compliance Required by
the Uniform Guidance**

Independent Auditors' Report

**The Board of Education of the
Hastings-on-Hudson Union Free School District, New York**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 11, 2022

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Hastings-on-Hudson Union Free School District, New York

 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2022

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Provided to Sub- recipients</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>				
Indirect Programs - Passed through New York State Department of Education				
<i>Child Nutrition Cluster</i>				
Special Milk Program for Children	10.556	N/A	\$ -	\$ 1,426
<u>U.S. Department of Education</u>				
Indirect Programs - Passed through New York State Department of Education				
<i>Special Education Cluster (IDEA)</i>				
Special Education - Grants to States (IDEA, Part B)	84.027	0032-22-1055	-	226,807
Special Education - Preschool Grants (IDEA Preschool)	84.173	0033-22-1055	-	11,237
Special Education -ARP Supplemental 611	84.027	5532-22-1005	-	4,860
Special Education -ARP Supplemental 619	84.173	5533-22-1055	-	3,531
Subtotal Special Education Cluster			-	246,435
Title I Grants to Local Educational Agencies	84.010	0021-22-3650	-	37,157
Supporting Effective Instruction State Grant	84.367	0147-21-3650	-	4,000
Supporting Effective Instruction State Grant	84.367	0147-22-3650	-	18,914
			-	22,914
Student Support and Academic Enrichment Program	84.424	0204-22-3650	-	10,000
American Rescue Plan Elementary and Secondary				
School Emergency Relief (ARP ESSER) Fund	84.425U	5880-21-3650	-	35,370
Governor's Emergency Education Relief (GEER)	84.425C	5896-21-3650	-	16,139
Elementary and Secondary School				
Emergency Relief (ESSER) Fund (CARES)	84.425D	5890-21-3650	-	10,988
Elementary and Secondary School				
Emergency Relief (CRRSA ESSER)	84.425D	5891-21-3650	-	873,684
			-	936,181
Total U.S. Department of Education			-	1,252,687
Total Expenditures of Federal Awards			\$ -	\$ 1,254,113

N/A - Information not available

The accompanying notes are an integral part of this schedule.

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Hastings-On-Hudson Union Free School District, New York

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal award activity of the Hastings-on-Hudson Union Free School District, New York ("School District") under programs of the federal government for the year ended June 30, 2022. Federal awards received directly from the Federal agencies as well as Federal awards passed through other government agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the School District.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

Note 3 - Indirect Cost Rate

The School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Hastings-On-Hudson Union Free School District, New York

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Section I - Summary of Auditors' Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

____ Yes X No
____ Yes X None reported

Noncompliance material to financial statements noted?

____ Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

____ Yes X No
____ Yes X None reported

Type of auditors' report issued on compliance for major federal programs

Unmodified

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

____ Yes X No

Identification of major federal programs:

Assistance

Listing Number(s)

Name of Federal Program or Cluster

84.425U

American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund

84.425C

Governor's Emergency Education Relief (GEER)

84.425D

Elementary and Secondary School Emergency Relief (CRRSA ESSER) Fund

84.425D

Elementary and Secondary School Emergency Relief (ESSER) Fund (CARES)

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

\$750,000

Auditee qualified as low-risk auditee?

____ Yes X No

Hastings-On-Hudson Union Free School District, New York

Schedule of Findings and Questioned Costs (Concluded)
Year Ended June 30, 2022

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Hastings-On-Hudson Union Free School District, New York

Summary Schedule of Prior Audit Findings

June 30, 2022

None

**Hastings-on-Hudson Union Free
School District, New York**

Extraclassroom Activity Funds

Statement of Cash Receipts, Cash Disbursements
and Cash Balances

Year Ended June 30, 2022

Independent Auditors' Report

**The Board of Education
of the Hastings-on-Hudson Union Free School District, New York**

Report on the Audit of the Financial Statement

Qualified Opinion

We have audited the statement of cash receipts, cash disbursements and cash balances of the Extraclassroom Activity Funds of the Hastings-on-Hudson Union Free School District, New York, as of and for the year ended June 30, 2022, and the related note to the financial statement.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statement referred to above presents fairly, in all material respects, the cash receipts, cash disbursements and cash balances of the Extraclassroom Activity Funds of the Hastings-on-Hudson Union Free School District, New York as of June 30, 2022, and for the year then ended in accordance with the cash basis of accounting described in Note 1.

Basis for Qualified Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the Hastings-on-Hudson Union Free School District, New York, 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 qualified audit opinion.

Matter Giving Rise to Qualified Opinion

Controls over cash receipts during the time period between when receipts are first received by student club members and when such receipts are given to Hastings-on-Hudson Union Free School District, New York personnel for initial entry in the accounting records are not sufficient to enable us to extend our audit procedures beyond the receipts recorded. Accordingly, we were unable to form an opinion with respect to the completeness of cash receipts.

Emphasis of Matter – Basis of Accounting

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

Responsibilities of Management for the Financial Statement

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

Auditors' Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 statement.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, 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 statement.
- 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 Hastings-on-Hudson Union Free School District, New York'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 statement.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Extraclassroom Activity Funds of the Hastings-on-Hudson Union Free School District, New York'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.

Restriction on Use

This report is intended solely for the information and use of the Board of Education, the State Education Department and management and is not intended to be and should not be used by anyone other than these specified parties.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

October 11, 2022

Hastings-on-Hudson Union Free School District, New York

Extraclassroom Activity Funds

Statement of Cash Receipts, Cash Disbursements and Cash Balances

Year Ended June 30, 2022

	Cash Balances Beginning	Receipts	Disburse- ments	Cash Balances Ending
HIGH SCHOOL				
Academic Challenge	\$ 1,695	\$ 550	\$ 827	\$ 1,418
Affinity Club	-	121	-	121
Amnesty Club	515	633	575	573
Art Club	268	40	-	308
Band	1,947	-	1,750	197
Chess Club	248	26	-	274
Chorus	4,247	11,025	14,025	1,247
Class of 2021	1,870	-	1,870	-
Class of 2022	1,118	15,208	14,316	2,010
Class of 2023	2,591	4,107	2,569	4,129
Class of 2024	1,724	129	238	1,615
Class of 2025	-	444	-	444
Crossing Borders	6	-	-	6
Culinary Club	3,095	-	-	3,095
Environment Club	857	287	-	1,144
Feminism Club	498	524	18	1,004
Foreign Language Club	759	123	-	882
Garden Club	265	-	106	159
Gender Sexuality Alliance	115	549	-	664
Golf Club	1,641	-	336	1,305
Hudsonettes	279	324	163	440
Math Club	176	-	176	-
National Art Honor Society	347	161	220	288
Peer Leadership	2,334	440	1,190	1,584
Photography	136	-	-	136
Students Against Drunk Driving	105	36	-	141
Student Union	8,995	14,069	15,396	7,668
Sunshine Club	1,078	5,359	5,988	449
Varsity Club	4,918	4,245	4,448	4,715
Westchester Model United				
Nations Conference	1,090	-	435	655
Women's Health	65	-	65	-
Yearbook	5,589	2,395	-	7,984
Young Entrepreneurial Media Club	2,738	-	250	2,488
Total High School	51,309	60,795	64,961	47,143

(Continued)

Hastings-on-Hudson Union Free School District, New York

Extraclassroom Activity Funds

Statement of Cash Receipts, Cash Disbursements and Cash Balances (Continued)

Year Ended June 30, 2022

	Cash Balances Beginning	Receipts	Disburse- ments	Cash Balances Ending
MIDDLE SCHOOL				
Extracurricular	\$ 828	\$ -	\$ -	\$ 828
Gender Sexuality Alliance Club	403	-	-	403
Grade 8	86	4,714	3,272	1,528
Scholarship	47	2	-	49
Student Activity Club-5/6	51	-	-	51
Yearbook	12,378	3,792	3,529	12,641
Total Middle School	13,793	8,508	6,801	15,500
Total All Schools	\$ 65,102	\$ 69,303	\$ 71,762	\$ 62,643

The accompanying note is an integral part of the financial statement.

Note 1 - Summary of Significant Accounting Policies

The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of the Hastings-on-Hudson Union Free School District, New York ("School District"). These funds are reflected in the financial statements of the School District within the Special Purpose Fund.

A. Basis of Accounting

The financial statement was prepared on the basis of cash receipts and cash disbursements in conformity with the accounting principles prescribed by the New York State Department of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this basis of accounting, revenues are recognized when cash is received and expenditures are recognized when cash is disbursed.

B. Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

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

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

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The School District follows the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 72, *"Fair Value Measurement and Application"*, which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Note 1 - Summary of Significant Accounting Policies (Continued)

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the School District does not invest in any long-term investment obligations.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name. The School District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2022.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The School District does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The School District's investment policy limits the amount on deposit at each of its banking institutions.
