

HYDE PARK CENTRAL SCHOOL DISTRICT

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

Together with Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	4-15
FINANCIAL STATEMENTS	
Statement of net position	16
Statement of activities	17
Balance sheet – Governmental funds	18-19
Reconciliation of total governmental fund balance to government-wide net position	20
Statement of revenue, expenditures, and changes in fund balance – Governmental funds	21
Reconciliation of the statement of revenue, expenditures, and changes in fund balance to the statement of activities	22
Notes to financial statements.....	23-53
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)	
Schedule of revenue, expenditures, and changes in fund balance – Budget and actual - General fund.....	54-55
Schedule of proportionate share of net pension liability (asset).....	56
Schedule of contributions – Pension Plans.....	57
Schedule of changes in total OPEB Liability and related ratios.....	58
SUPPLEMENTARY INFORMATION	
Schedule of combining balance sheet – non-major governmental funds.....	59
Schedule of combining statement of revenues, expenditures and changes in fund Balances – non-major governmental funds.....	60
OTHER INFORMATION (UNAUDITED)	
Schedule of change from original budget to revised budget – General fund	61
Section 1318 of Real Property Tax Law Limit Calculation – General fund.....	61
Schedule of project expenditures - Capital projects fund	62
Schedule of net investment in capital assets	63

C O N T E N T S (Continued)

	<u>Page</u>
REQUIRED REPORTS UNDER UNIFORM GUIDANCE	
Independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	64-65
Independent auditor's report on compliance for each major federal program and on internal control over compliance required by Uniform Guidance	66-68
Schedule of expenditures of federal awards.....	69
Notes to the schedule of expenditures of federal awards	70
Schedule of findings and questioned costs	71-72

INDEPENDENT AUDITOR'S REPORT

October 10, 2022

To the Board of Education of
Hyde Park Central School District:

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Emphasis of Matter – Change in Accounting Principle

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair representation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

(Continued)

INDEPENDENT AUDITOR'S REPORT (Continued)

Responsibilities of Management for the Financial Statements (Continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 may 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 general accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of proportionate share of net pension (asset) liability and contributions – pension plans and changes in total OPEB liability, and related ratios be presented to supplement the basic financial statements. Such information, 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 by placing the basic financial statements in an appropriate operational, economic, or historic context.

(Continued)

INDEPENDENT AUDITOR'S REPORT (Continued)

Required Supplementary Information (Continued)

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 response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 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 School District's internal control over financial reporting and compliance.

HYDE PARK CENTRAL SCHOOL DISTRICT

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

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

FINANCIAL HIGHLIGHTS

- Government-wide net position of the School District was (\$185,198,335).
- Government-wide net position was \$17,817,301 less than at June 30, 2021.
- Combined fund balance was \$38,238,942.
- Combined fund balance is \$10,279,052 greater than at June 30, 2021.
- The School District substantially continued to offer all programs, without reducing services, while maintaining fund balance.
- In February 2022, the voters approved a district-wide capital project of \$35,717,292. The project includes security vestibules at all buildings, middle school and high school auditorium renovations, a new bus loop and parking lot at Ralph R. Smith Elementary, track resurfacing and new field turf at FD Roosevelt High School, roofing at Hyde Park Elementary school and FD Roosevelt High School, HVAC mechanical upgrades at the high school and Violet Ave. Elementary School, kitchen flooring at Haviland Middle School, a new well and water system for Netherwood Elementary School, and a septic system for District Office.
- As authorized by the voters, the capital project reserve was liquidated completely and the remaining \$3,386,115 was transferred to the capital project fund as part of the funding for the new \$35.7 million project.
- In May 2022, the voters approved the establishment of a new capital reserve and funding of \$1,000,000 to be used towards future capital projects.
- The School District issued a \$16,000,000 bond through the Dormitory Authority of New York State (DASNY) school pool to finance the portion of the science labs/HVAC project that was not paid through bond anticipation notes.
- The School District issued a \$1,395,000 bond for the Dutchess BOCES Capital Project that was approved by the voters in 2018.
- The School District saved \$1,783,313 in health insurance costs do the Dutchess Educational Health Insurance Consortiums "holiday". A portion of the savings were used to purchase new playground equipment, outdoor classroom furniture, and to pave parking lots at the high school, middle school, and Violet Ave. Elementary School.
- Due to the bus driver shortage, the School District outsourced the Universal Pre-K runs to Total Transportation through Dutchess BOCES. The cost was \$1,020,451.
- In 2021-2022, the School District spent \$1,626,835 of the \$9,086,014 funding through ARPA and CRRSA. The remaining CRRSA funds must be spent by September 30, 2024 and the remaining ARPA funds must be spent by September 30, 2025.

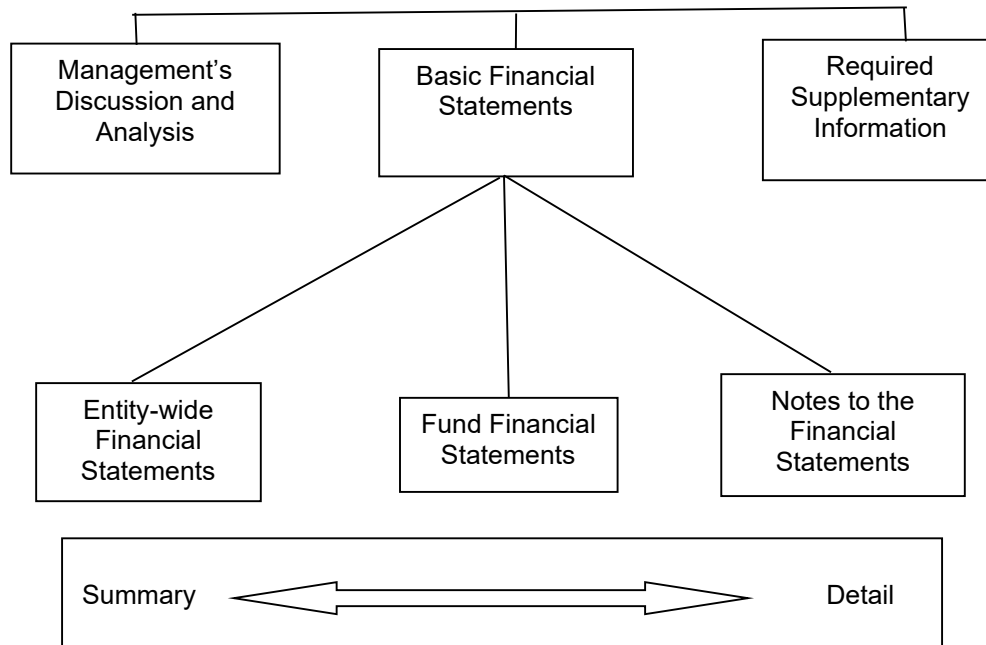
OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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



OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

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

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

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

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

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

- Capitalize current outlays for capital assets.
- Report long-term debt as a liability.
- Depreciate capital assets and allocate the depreciation to the proper function.
- Calculate revenue and expenses using the economic resources measurement focus and the full accrual basis of accounting.
- Allocate net position balances as follows:
 - Net investment in capital assets.
 - Restricted net position has constraints placed on use by external sources or imposed by law.
 - Unrestricted net position is net position that does not meet any of the above restrictions.

Fund Financial Statements

The fund financial statements provide more detailed information about the School District's funds – not the School District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs. The funds have been established by the State of New York.

The School District has the following types of funds:

- **Governmental Funds:** Most of the School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the Government-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them. The governmental fund statements focus primarily on current financial resources and often have a budgetary orientation. Governmental funds include the general fund, special aid fund, school lunch fund, debt service fund, capital projects fund, and the miscellaneous special revenue fund. Required financial statements are the balance sheet and the statement of revenue, expenditures, and changes in fund balance.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

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

	Fiscal Year 2022	Fiscal Year 2021	Percent Change
Current and other assets	\$ 47,394	\$ 52,320	-9.41%
Noncurrent assets	<u>81,649</u>	<u>72,343</u>	12.86%
Total assets	<u>129,044</u>	<u>124,663</u>	3.51%
Deferred outflows of resources	<u>151,516</u>	<u>180,326</u>	-15.98%
Current liabilities	12,609	26,725	-52.82%
Long-term liabilities	<u>360,362</u>	<u>418,083</u>	-13.81%
Total liabilities	<u>372,971</u>	<u>444,808</u>	-16.15%
Deferred inflows of resources	<u>129,019</u>	<u>27,562</u>	368.10%
Net position:			
Net investment in capital assets	62,687	55,206	13.55%
Restricted	28,183	19,663	43.33%
Unrestricted	<u>(276,068)</u>	<u>(242,250)</u>	-13.96%
Total net position	<u>\$ (185,198)</u>	<u>\$ (167,381)</u>	-10.64%

The \$4.9 million decrease in current assets is primarily due to capital project spending exceeding debt proceeds during 2021-2022 and a decrease in state and federal aid receivable between June 30, 2021 and June 30, 2022.

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

The decrease in current liabilities in the current year is due to the pay-off of bond anticipation notes payable with proceeds from a \$16 million bond issued for the science labs/HVAC project and recorded as a long-term liability. The long-term liabilities decreased in current year due to changes in Other Post-Employment Benefits liability. As of December 2020, the district had a net share of the NYSTRS pension liability of \$5,392,596. By December 2021, there was a pension asset and the district's proportionate share was \$33,584,782.

Changes in Net Position

The School District's 2022 revenue was \$110,160,616 (See Figure A-4). Property taxes and New York State aid accounted for the majority of revenue by contributing 58% and 30%, respectively, of the total revenue raised (see Figure A-5). The remainder of revenue came from fees for services, use of money and property, operating grants, and other miscellaneous sources.

The total cost of all programs and services totaled \$128,147,449 for 2022. These expenses are predominately for the education, supervision, and transportation of students (see Figure A-6). The School District's administrative and business activities accounted for 13% of total costs.

Net position decreased during the year by \$17,817,301 due primarily to the effects of recognizing other post-employment benefits as well as the effects of ERS and TRS proportionate assets, deferred outflows, liabilities and deferred inflows.

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

Changes in Net Position (Continued)

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

	<u>Fiscal Year 2022</u>	<u>Fiscal Year 2021</u>	<u>Percent Change</u>
Revenue:			
Charges for services	\$ 432	\$ 473	-8.58%
Operating grants	8,388	5,784	45.01%
General revenue:			
Property taxes	64,068	63,171	1.42%
Use of money and property	84	117	-28.49%
Sale of property and compensation for loss	92	137	-32.95%
State aid	33,364	31,623	5.51%
Medicaid reimbursement	218	158	38.19%
Miscellaneous	<u>3,514</u>	<u>2,519</u>	39.52%
Total revenue	<u>110,161</u>	<u>103,982</u>	5.94%
Expenses:			
General support	17,113	19,186	-10.80%
Instruction	96,367	110,511	-12.80%
Transportation	12,173	11,126	9.41%
Debt service - Interest	486	402	20.78%
Community service	-	2	
Cost of sales - Food	<u>2,008</u>	<u>909</u>	120.90%
Total expenses	<u>128,147</u>	<u>142,136</u>	-9.84%
Change in net position	<u>\$ (17,987)</u>	<u>\$ (38,154)</u>	52.86%

Significant changes in revenue from 2020/2021 to 2021/2022 school year included:

- Real Property Taxes: \$895,567 increase
- State Aid: \$1,547,690 increase
- Universal Pre-K grant: \$307,250
- Education Stabilization Funds: \$806,141 increase
- Health Insurance Holiday: \$206,544 increase
- Refund of Prior Year expenditures: \$322,692 decrease
- Bond Anticipation Notes for BOCES Capital Project: \$637,640 decrease
- Food Service Sales: \$1,244,400 increase due to a return of full-time in-person learning in 2021-2022

Significant changes in expenditures from 2020/2021 to 2021/2022 school year included:

- Increase in transfer to capital projects (\$3,161,124). A \$35.7M district-wide capital project that was approved by voters in February 2022 calls for the use of capital reserve of \$3,386,115.
- Increase in transportation services from BOCES of \$1,020,451 for universal pre-k bus runs.
- The return to in-person learning 100% of the time resulted in the following expenditure changes:
 - Heating fuel and gasoline expenses: \$570,052 increase
 - Special education expenditures: \$674,648 increase
 - Teacher substitute salaries: \$578,852 increase

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

Figure A-5: Revenue Sources for 2022:

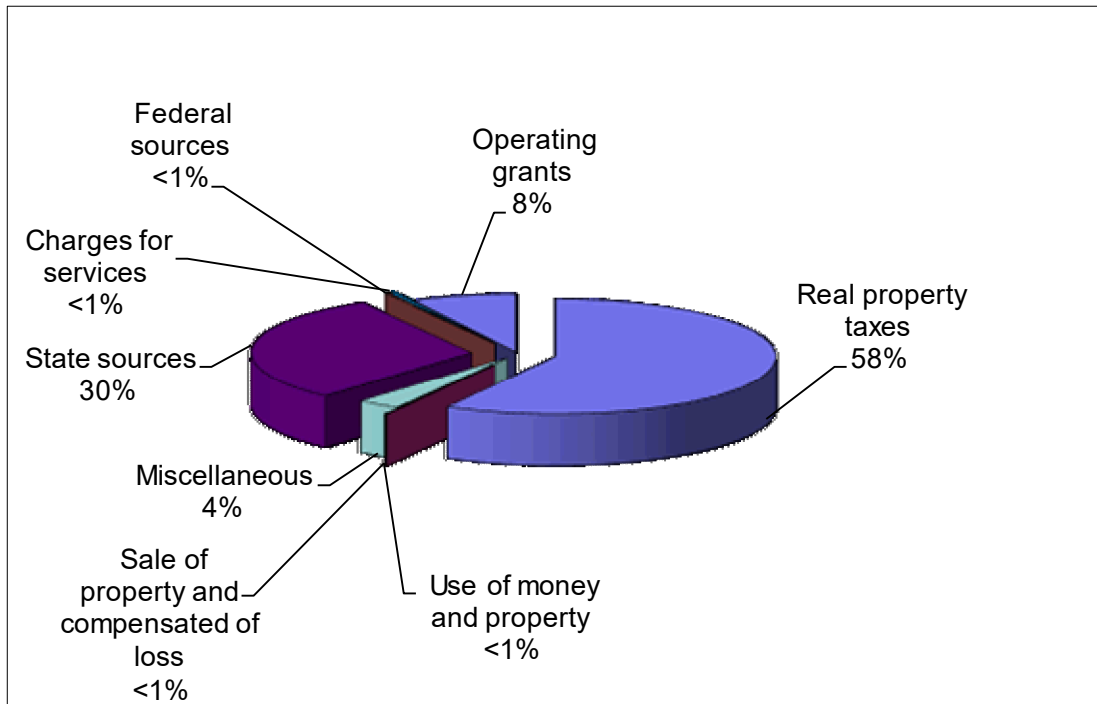
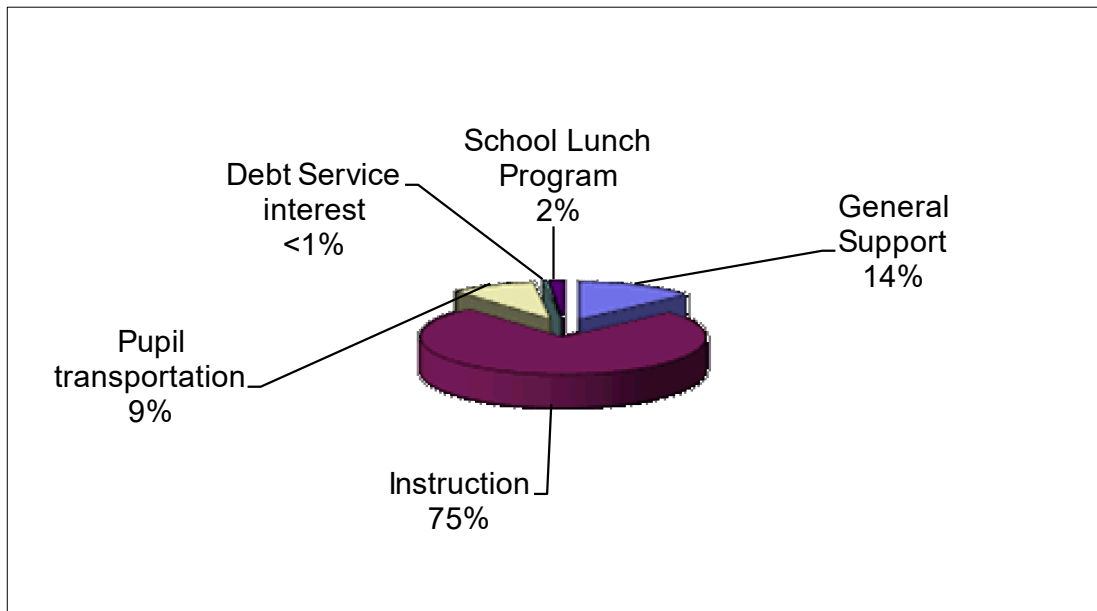


Figure A-6: Sources of Expenses for 2022:



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

Governmental Activities

Revenue for the School District's governmental activities totaled \$110,160,616 while total expenses were \$128,147,449. Accordingly, net position decreased by \$17,817,301.

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

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

	Total Cost of Services <u>2022</u>	Net Cost of Services <u>2022</u>	Total Cost of Services <u>2021</u>	Net Cost of Services <u>2021</u>
General support	\$ 17,113	\$ 17,113	\$ 19,186	\$ 19,186
Instruction	96,367	89,917	110,511	105,306
Pupil transportation	12,173	12,173	11,126	11,126
Debt service - Interest	486	486	402	402
Community Service	-	-	2	2
Cost of sales - Food	2,008	(362)	909	(143)
	<u>\$ 128,147</u>	<u>\$ 119,328</u>	<u>\$ 142,136</u>	<u>\$ 135,879</u>

The cost of all governmental activities for the year was \$128,147,449.

- The users of the School District's programs financed \$432,430 of the costs through charges for services.
- The federal and state government financed \$8,387,514 of the costs through operating grants.
- The majority of costs were financed by the School District's taxpayers and unallocated NYS aid.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

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

Governmental Funds Highlights

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

The original budget for the General Fund was revised by \$5,651,649 during the year. The supplemental appropriations consist of a transfer from the capital reserve (\$3,286,115), transfer from special education liability reserve (\$108,370), the Dutchess Educational Health Insurance Holiday (\$1,783,313), transfers from reserves to cover tax certiorari claims (\$78,367), insurance recoveries (\$80,086), compensation for loss (\$1,629), rollover of unspent CARES Act funds from 2020-2021 (\$23,718) and carryover encumbrances from the prior year (\$290,051).

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

Governmental Funds Highlights (Continued)

In the General Fund for the year-ended, June 30, 2022, actual expenditures exceeded revenues by \$3,091,603 and the School District continued to offer a full educational program. Significant revenue sources include Real Property Taxes, STAR Reimbursement and Other Tax Items (\$64,066,287), and State Aid (\$33,363,936). New York State operating aid is tied to the growth in New York State personal income and the available funds in the state budget. Actual expenditures and encumbrances were \$5,449,485 less than revised budget. For the fiscal year 2022-2023, the School District has appropriated \$2,733,653 of fund balance to reduce the tax levy.

The total fund balance in the General Fund decreased by \$3,091,603, during the 2021-2022 school year. At June 30, 2022, unassigned fund balance amounts to \$3,303,328 and total restricted fund balance is \$13,990,669. Significant changes in restricted fund balances between 2020-2021 school year to 2021-2022 school year includes the use of an existing capital reserve of \$3,286,115 for a \$35.7 million capital project approved in February 2022, the creation and \$1,000,000 funding of a new capital project reserve, and contributions to the retirement contribution reserve (NYSLRS) and retirement contribution reserve sub-fund (NYSTRS), in the amount of \$700,000 total.

Special Aid Fund – The School District has been awarded \$9,086,014 to be spent between March 2020 and September 2025. The funds are allocated from the Coronavirus Response and Relief Supplemental Appropriations Act (\$3,240,618), and the American Rescue Plan Act (\$5,845,396). As of June 30, 2022, \$1,626,385 of these federal fiscal stimulus funds have been expended.

School Lunch Fund – The fund ended the year with a fund balance of \$741,764, which is an increase of \$659,673 from prior year. The main factor for the increase in the school lunch fund was the significant increase in student participation in the food service program due to a 100% return to in-person learning. In 2020-2021 instruction was remote during September and from October – April students attended in-person half the time due to social distancing concerns.

Capital Projects Fund – The fund ended the year with a surplus fund balance of \$10,330,683, an increase of \$12,681,338 from prior year. The increase in fund balance is due to the issuance of \$17,395,000 in serial bonds.

Debt Service Fund – The fund ended the year with a fund balance of \$3,699,577.

Miscellaneous Special Revenue Fund – The fund ended the year with a fund balance of \$161,571. This fund includes scholarships (\$26,508), extracurricular activities (\$125,116) and donations (\$9,947).

General Fund Budgetary Highlights

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

Revenue Variances

- Revenues are less than budgeted primarily due to increased NYS aid.

Expenditure Variances

- The School District has a net favorable budgetary surplus of \$3,702,681. Significant increases in expenditures due to the return to in-person learning included:
 - Heating fuel and gasoline expenses: \$570,052 increase
 - Special education expenditures: \$674,648 increase
 - Teacher substitute salaries: \$578,852 increase
 - Transportation staff salaries: \$756,173 increase

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

General Fund Budgetary Highlights (Continued)

Results vs. Budget (In Thousands of Dollars)

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

	Original Budget	Final Budget	Actual	Encumbrances	Variance (Actual/Budget)
Revenue:					
Local sources	\$ 65,059	\$ 66,924	\$ 66,552	\$ -	\$ (372)
State sources	34,064	34,064	33,364	-	(700)
Federal sources	345	369	390	-	22
Medicaid reimbursement	150	150	218	-	68
Total	<u>99,617</u>	<u>101,506</u>	<u>100,524</u>	<u>-</u>	<u>(982)</u>
Expenditures:					
General support	12,024	12,850	11,451	494	905
Instruction	49,455	49,904	47,789	100	2,015
Transportation	6,012	6,861	6,588	-	274
Community service	15	15	-	-	15
Debt service - Interest	-	-	2	-	(2)
Debt service - Principal	-	-	239	-	(239)
Employee benefits	30,825	31,067	29,141	-	1,926
Total	<u>98,332</u>	<u>100,697</u>	<u>95,209</u>	<u>594</u>	<u>4,895</u>
Other financing sources (uses)					
Proceeds from issuance of bonds	1,247	1,247	392	-	855
Proceeds from issuance of lease	-	-	217	-	(217)
Transfer in	-	-	90	-	(90)
Transfers out	(6,158)	(9,444)	(9,106)	-	(338)
Total	<u>(4,911)</u>	<u>(8,197)</u>	<u>(8,407)</u>	<u>-</u>	<u>210</u>
Revenue over/under expenditures	<u>\$ (3,625)</u>	<u>\$ (7,388)</u>	<u>\$ (3,092)</u>	<u>\$ (594)</u>	<u>\$ 3,703</u>

The most significant budget adjustments include the DEHIC health insurance holiday (\$1.78 million), transfer from Capital Reserve for the capital project that was approved by voters in February 2022 (\$3.29 million), transfer from special education liability reserve for settled cases (\$108 thousand), and transfer from tax cert reserve for a consent judgment (\$54 thousand).

CAPITAL ASSET AND DEBT ADMINISTRATION

As of June 30, 2022, the School District had \$81,649,312 invested in buildings, computers, and other educational equipment.

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

	Fiscal Year <u>2022</u>	Fiscal Year <u>2021</u>
Land	\$ 1,166	\$ 1,166
Buildings and improvements	50,364	51,524
Construction in progress	20,508	9,455
Land improvements	2,437	2,633
Machinery and equipment	7,174	7,799
Total	<u>\$ 81,649</u>	<u>\$ 72,578</u>

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Long-Term Liabilities

As of June 30, 2022, the School District had \$363,749,571 in long-term liabilities. Detailed information about the School District's long-term liabilities is included in the notes to the financial statements.

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

	Fiscal Year <u>2022</u>	Fiscal Year <u>2021</u>
General obligation bonds	\$ 25,453	\$ 10,557
Compensated absences	2,454	2,443
Lease obligations	43	66
Judgments and claims	1,747	-
Total other postemployment benefits	<u>334,053</u>	<u>402,003</u>
Total	<u>\$ 363,750</u>	<u>\$ 415,069</u>

During 2022, the School District paid down its long term bonded debt by \$2,345,000. Further the School District's OPEB liability decreased by \$67.9 million due to the net effect of changes in actuarial assumptions.

FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE

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

- Hyde Park CSD has been awarded \$9,086,014 to be spent between March 2020 and September 2025. The funds are accounted in the Special Aid fund and allocated from the Coronavirus Response and Relief Supplemental Appropriations Act (\$3,240,618), and the American Rescue Plan Act (\$5,845,396). As of June 30, 2022, \$1,626,385 of these federal fiscal stimulus funds have been expended, and \$7,459,629 remains available to be spent over the next three years.
- The School District is currently using about \$750,000 per year from fiscal stimulus funds for expenditures that will be moved to the General fund after the fiscal stimulus funds expire in 2025. The expenditures include the salary and benefits for the guidance director, and the salary and benefits for six behavioral teaching assistants and two social workers as part of a social and emotional program known as BRYT (Bridge for Resilient Youth in Transition).
- In July 2022, the School District changed to a full-time co-teaching model at all elementary grade levels in all elementary schools. The change was made after the budget was implemented for 2022-2023 and includes the addition of twelve teachers and reduction of eight teaching assistants. The additional cost in 2022-2023 is \$792,444 and will be included in future school years' budgets.

Bond Ratings

Moody's Investor Services (Moody's) assigned a rating of Aa3 to outstanding uninsured bonds of the School District, for which the School District has continued to maintain. This rating reflects only the view of such rating agency and an explanation of the significance of such rating should be obtained from Moody's Investor Service. There can be no assurance that such rating will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any change or withdrawal of such rating may have an adverse effect on the market price of the notes or the availability of a secondary market for the notes. The School District recently underwent a credit rating analysis from Standard and Poor's and received a rating of AA-.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

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

Linda Steinberg
Assistant Superintendent for Finance & Operations
Hyde Park Central School District
P.O. Box 2033
Hyde Park, New York 12538

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

CURRENT ASSETS:

Cash and cash equivalents - unrestricted	\$ 14,646,833
Cash and cash equivalents - restricted	25,316,679
Accounts receivable	20,115
State and federal aid receivable	4,967,888
Due from other governments	581,679
Prepaid expenses	1,792,350
Inventory	<u>68,648</u>
Total current assets	<u>47,394,192</u>

NONCURRENT ASSETS:

Capital assets, net	81,649,312
Net pension asset - ERS	2,646,692
Net pension asset - TRS	<u>33,584,782</u>

TOTAL ASSETS

165,274,978**DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflows of resources - ERS	5,373,620
Deferred outflows of resources - TRS	19,722,237
Deferred outflows of resources - OPEB	126,202,445
Deferred outflows of resources - refunding	<u>217,740</u>

Total Deferred Outflows of Resources

151,516,042

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

316,791,020**LIABILITIES**

CURRENT LIABILITIES:

Accounts payable and accrued liabilities	2,961,492
Unearned revenue	162,403
Bond anticipation notes	1,172,000
Due to Teachers' Retirement System	3,701,162
Due to Employees' Retirement System	401,437
Bond interest accrual	65,701
Due to other governments	756,756
Lease payable due within one year	22,784
Bonds payable due within one year	<u>3,365,000</u>

Total current liabilities

12,608,735

LONG-TERM LIABILITIES:

Lease payable, net current portion	20,265
Bonds payable, net of current portion	21,725,000
Bonds premium, net	362,816
Total other postemployment benefits liability	334,053,320
Judgments and claims	1,746,571
Compensated absences	<u>2,453,815</u>

Total long-term liabilities

360,361,787

TOTAL LIABILITIES

372,970,522**DEFERRED INFLOWS OF RESOURCES**

Deferred inflows of resources - ERS	9,120,311
Deferred inflows of resources - TRS	37,285,740
Deferred inflows of resources - OPEB	<u>82,612,782</u>

Total Deferred Inflows of Resources

129,018,833

TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

501,989,355**NET POSITION**

Net investment in capital assets	62,687,258
Restricted	28,182,500
Unrestricted	<u>(276,068,093)</u>
TOTAL NET POSITION	<u>\$ (185,198,335)</u>

The accompanying notes are an integral part of these statements.

HYDE PARK CENTRAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2022

	<u>Expenses</u>	<u>Program Revenue</u>		Net (Expense) Revenue and Changes in <u>Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants</u>	
FUNCTIONS/PROGRAMS:				
General support	\$ 17,113,462	\$ -	\$ -	\$ (17,113,462)
Instruction	96,367,049	329,393	6,120,584	(89,917,072)
Pupil transportation	12,173,404	-	-	(12,173,404)
Debt service interest	485,537	-	-	(485,537)
School lunch program	<u>2,007,997</u>	<u>103,037</u>	<u>2,266,930</u>	<u>361,970</u>
TOTAL FUNCTIONS/PROGRAMS	\$ <u>128,147,449</u>	\$ <u>432,430</u>	\$ <u>8,387,514</u>	<u>(119,327,505)</u>
GENERAL REVENUE:				
Real property taxes				64,068,398
Use of money and property				83,665
Sale of property and compensation for loss				91,861
Miscellaneous				3,514,468
State sources				33,363,935
Medicaid reimbursement				<u>218,345</u>
TOTAL GENERAL REVENUE				<u>101,340,672</u>
CHANGE IN NET POSITION				<u>(17,986,833)</u>
NET POSITION - beginning of year, as previously reported				(167,381,034)
RESTATEMENT (Note 16)				<u>169,532</u>
NET POSITION - beginning of year, as restated				<u>(167,211,502)</u>
NET POSITION - end of year				<u>\$ (185,198,335)</u>

The accompanying notes are an integral part of these statements.

HYDE PARK CENTRAL SCHOOL DISTRICT

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

	<u>General</u>	<u>Special Aid</u>	<u>Capital Projects</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents - unrestricted	\$ 14,437,955	\$ 5,255	\$ -	\$ 203,623	\$ 14,646,833
Cash and cash equivalents - restricted	13,990,669	-	7,488,071	3,837,939	25,316,679
Accounts receivable	14,499	-	-	5,616	20,115
Due from other funds	1,774,807	-	4,309,633	184,411	6,268,851
State and federal aid receivable	2,327,903	2,275,249	-	364,736	4,967,888
Due from other governments	581,679	-	-	-	581,679
Prepaid expenditures	1,792,350	-	-	-	1,792,350
Inventory	-	-	-	68,648	68,648
TOTAL ASSETS	<u>\$ 34,919,862</u>	<u>\$ 2,280,504</u>	<u>\$ 11,797,704</u>	<u>\$ 4,664,973</u>	<u>\$ 53,663,043</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES:					
Accounts payable	\$ 2,212,182	\$ 440,362	\$ 265,351	\$ 43,597	\$ 2,961,492
Bond anticipation notes	-	-	1,172,000	-	1,172,000
Unearned revenue	82,836	61,275	-	18,292	162,403
Due to other funds	4,464,374	1,774,807	29,670	-	6,268,851
Due to other governments	752,524	4,060	-	172	756,756
Due to Teachers' Retirement System	3,701,162	-	-	-	3,701,162
Due to Employees' Retirement System	401,437	-	-	-	401,437
TOTAL LIABILITIES	<u>11,614,515</u>	<u>2,280,504</u>	<u>1,467,021</u>	<u>62,061</u>	<u>15,424,101</u>

(Continued)

The accompanying notes are an integral part of these statements.

HYDE PARK CENTRAL SCHOOL DISTRICT

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

	General	Special Aid	Capital Projects	Non-Major Funds	Total Governmental Funds
FUND BALANCE:					
Nonspendable:					
Inventory	\$ -	\$ -	\$ -	\$ 68,648	\$ 68,648
Prepaid expenditures	<u>1,792,350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,792,350</u>
Total nonspendable fund balance	<u>1,792,350</u>	<u>-</u>	<u>-</u>	<u>68,648</u>	<u>1,860,998</u>
Restricted:					
Unemployment reserve	109,643	-	-	-	109,643
Retirement contributions - ERS	5,049,742	-	-	-	5,049,742
Retirement contributions - TRS	2,013,893	-	-	-	2,013,893
Employee benefits and accrued liabilities	2,406,796	-	-	-	2,406,796
Capital projects	1,002,445	-	10,330,683	-	11,333,128
Tax certiorari	2,657,784	-	-	-	2,657,784
Liability reserve	642,665	-	-	-	642,665
Repair reserve	107,701	-	-	-	107,701
Debt service	-	-	-	3,699,577	3,699,577
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>161,571</u>	<u>161,571</u>
Total restricted fund balance	<u>13,990,669</u>	<u>-</u>	<u>10,330,683</u>	<u>3,861,148</u>	<u>28,182,500</u>
Assigned:					
Unappropriated	593,812	-	-	673,116	1,266,928
Appropriated for subsequent year expenditures	<u>3,625,188</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,625,188</u>
Total assigned fund balance	<u>4,219,000</u>	<u>-</u>	<u>-</u>	<u>673,116</u>	<u>4,892,116</u>
Unassigned	<u>3,303,328</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,303,328</u>
TOTAL FUND BALANCE	<u>23,305,347</u>	<u>-</u>	<u>10,330,683</u>	<u>4,602,912</u>	<u>38,238,942</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 34,919,862</u>	<u>\$ 2,280,504</u>	<u>\$ 11,797,704</u>	<u>\$ 4,664,973</u>	<u>\$ 53,663,043</u>

The accompanying notes are an integral part of these statements.

HYDE PARK CENTRAL SCHOOL DISTRICT

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

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

Total governmental fund balance	\$ 38,238,942
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	81,649,312
Pension related government wide activity:	
Deferred outflows - ERS/TRS	25,095,857
Deferred inflows - ERS/TRS	(46,406,051)
Net pension asset - ERS/TRS	36,231,474
OPEB related government wide activity:	
Deferred outflows of resources	126,202,445
Deferred inflows of resources	(82,612,782)
Total OPEB liability	(334,053,320)
Long-term bonds payable and lease payable are not due in the current period and, therefore, are not reported in the funds	(25,133,049)
Bond premium is recorded as revenue in the fund financial statements, but is amortized over the life of the bond under full accrual accounting.	(362,816)
Deferred amount on bond refundings in governmental-wide statements using the full accrual method of accounting, not recognized on the fund financial statements, which use the modified accrual method	217,740
Long-term liabilities, including compensated absences and judgments and claims are not due and payable in the current period and, therefore, are not reported in the funds	(4,200,386)
Interest payable is to be recorded in the government-wide statements under full accrual accounting	<u>(65,701)</u>
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (185,198,335)</u>

The accompanying notes are an integral part of these statements.

HYDE PARK CENTRAL SCHOOL DISTRICT

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

	General	Special Aid	Capital Projects	Non-Major Funds	Total Governmental Funds
REVENUE:					
Real property taxes	\$ 64,068,398	\$ -	\$ -	\$ -	\$ 64,068,398
Charges for services	329,393	-	-	-	329,393
Use of money and property	74,452	-	-	9,213	83,665
Sale of property and compensation for loss	91,861	-	-	-	91,861
Miscellaneous	1,987,489	-	-	164,289	2,151,778
State sources	33,363,935	1,903,312	-	37,396	35,304,643
Medicaid reimbursement	218,345	-	-	-	218,345
Federal sources	390,424	3,826,848	-	2,229,534	6,446,806
Sales - School lunch	-	-	-	103,037	103,037
Total revenue	100,524,297	5,730,160	-	2,543,469	108,797,926
EXPENDITURES:					
General support	11,451,187	200,560	-	-	11,651,747
Instruction	47,788,600	5,624,078	-	-	53,412,678
Pupil transportation	6,587,690	74,383	-	-	6,662,073
Employee benefits	29,140,671	-	-	331,757	29,472,428
Debt service - Interest	1,536	-	-	513,717	515,253
Debt service - Principal	239,238	-	-	5,036,813	5,276,051
Cost of sales	-	-	-	1,393,217	1,393,217
Capital outlay	-	-	11,638,758	-	11,638,758
Other	-	-	-	162,740	162,740
Total expenditures	95,208,922	5,899,021	11,638,758	7,438,244	120,184,945
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	5,315,375	(168,861)	(11,638,758)	(4,894,775)	(11,387,019)
OTHER FINANCING SOURCES (USES):					
BANs redeemed from appropriations	391,960	-	2,299,853	-	2,691,813
Proceeds from issuance of debt	-	-	17,395,000	-	17,395,000
Premium on issuance of debt	-	-	1,333,020	29,670	1,362,690
Proceeds from the issuance of capital leases	216,568	-	-	-	216,568
Operating transfers in	90,000	168,861	3,386,115	5,554,422	9,199,398
Operating transfers (out)	(9,105,506)	-	(93,892)	-	(9,199,398)
Total other financing sources (uses)	(8,406,978)	168,861	24,320,096	5,584,092	21,666,071
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(3,091,603)	-	12,681,338	689,317	10,279,052
FUND BALANCE - beginning of year	26,396,950	-	(2,350,655)	3,913,595	27,959,890
FUND BALANCE - end of year	\$ 23,305,347	\$ -	\$ 10,330,683	\$ 4,602,912	\$ 38,238,942

The accompanying notes are an integral part of these statements.

HYDE PARK CENTRAL SCHOOL DISTRICT

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

Net changes in fund balance - Total governmental funds	\$ 10,279,052
Capital outlays, net of disposals, are expenditures in governmental funds, but are capitalized in the statement of net position.	12,744,810
Depreciation is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.	(3,783,179)
Amortization is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities .	(106,762)
Capital leases are expenditures in governmental funds, net of disposals, but are capitalized in the statement of net position.	216,568
Repayments of long-term debt are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position.	2,345,000
Proceeds of long-term debt are recorded as other financing sources in the governmental funds, but are recorded as additions of liabilities in the statement of net position.	(17,155,762)
Bond premiums amortization is not recorded as revenue in the governmental funds, but is recorded in the statement of activities.	153,867
Deferred amount on bond refunding amortization is not recorded as expenditures in the governmental funds, but are recorded in the statement of activities.	(77,949)
Issuance of long-term lease liabilities are recorded as expenditures in the governmental funds, but are recorded as a liability in the statement of net position.	(216,568)
Compensated absences do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds.	(10,817)
Other postemployment benefits do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds.	(27,010,242)
Pension expense resulting from the GASB 68 related reporting is not recorded as an expenditure in the government funds but is recorded in the statement of activities.	6,427,922
Certain expenses in the statement of activities do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds.	<u>(1,792,773)</u>
Change in net position - Governmental activities	<u>\$ (17,986,833)</u>

The accompanying notes are an integral part of these statements.

HYDE PARK CENTRAL SCHOOL DISTRICT

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

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Reporting Entity

Hyde Park Central School District is governed by the laws of New York State. The School District is an independent entity governed by an elected Board of Education. The President of the Board of Education serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the School District. The Board of Education has the authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the School District is based upon criteria set forth by generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the School District. The School District is not a component unit of another reporting entity. The decision to include a potential component unit in the School District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is included in the School District's reporting entity:

Extraclassroom Activity Funds

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

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

Joint Venture

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

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

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

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

Basis of Presentation

Government-Wide Statements

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

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

Fund Financial Statements

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

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

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

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

Basis of Presentation (Continued)

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

Governmental Fund Types

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

The School District reports the following major governmental funds:

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

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

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

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

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

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

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

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Measurement Focus and Basis of Accounting

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

The Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions in which the School District gives or receives value without directly receiving or giving equal value in exchange include property taxes, grants, and donations.

On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

Cash and Cash Equivalents

Cash and cash equivalents consist of funds deposited in demand deposit accounts, and amounts with the New York Liquid Asset Fund (NYLAF). The School District's deposit and investment policies are governed by State statutes. The School District has adopted its own written investment policy, which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The School District is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include NYLAF, obligations of the U.S. Treasury, U.S. Agencies and obligations of New York State or its political subdivisions and accordingly, the School District's policy provides for no credit risk on investments.

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

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

Restricted Cash and Cash Equivalents

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

Accounts Receivable

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

Inventory and Prepaid Items

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

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

Interfund Transactions

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

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

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

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

Capital Assets, Net

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

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

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

Property Taxes

Real property taxes are levied annually by the board of education no later than September 1, and become a lien on August 22. Taxes are collected during the period September to mid-October.

Uncollected real property taxes are subsequently enforced by the Town Treasurers of Poughkeepsie and Hyde Park in which the School District is located. The taxes for the Towns of Pleasant Valley, Clinton, and Rhinebeck, which are also included in the levy, are collected by the School District. The County guarantees the full payment of the School District warrant and assumes responsibility for uncollected taxes.

Vested Employee Benefits

Compensated absences

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

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

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

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

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

Other Benefits

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

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

Other Postemployment Benefits

In addition to providing the pension benefits described, the School District provides postemployment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contracts negotiated between the School District and its employee groups. Substantially all of these employees may become eligible for these benefits if they reach normal retirement age while working for the School District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the School District and the retired employee.

Unearned Revenue

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

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

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

Accrued Liabilities and Long-Term Obligations

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

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

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

Restricted Resources

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

Fund Balance/Net Position Classifications

Government-Wide Statements

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

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

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

Fund Balance/Net Position Classifications (Continued)

Government-wide Statements (Continued)

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

Restricted net position consists of the following:

Unemployment reserve	\$ 109,643
Retirement contributions - ERS	5,049,742
Retirement contributions - TRS	2,013,893
Employee benefits and accrued liabilities	2,406,796
Capital Projects	11,333,128
Tax certiorari	2,657,784
Liability reserve	642,665
Repair reserve	107,701
Debt service	3,699,577
Other	<u>161,571</u>
Total:	<u>\$ 28,182,500</u>

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

Governmental Fund Statements

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

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

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

Capital

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

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

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

Repair

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

Workers' Compensation

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

Unemployment Insurance

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

Debt Service

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

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

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

Insurance

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

Liability Claims and Property Loss

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

Tax Certiorari

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

Employee Benefit Accrued Liability

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

Retirement Contribution

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

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

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

Fund Balance/Net Position Classifications (Continued)

Governmental Fund Statements (Continued)

Assigned fund balance – Includes amounts that are constrained by the School District’s intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the general fund are classified as assigned fund balance in the general fund. Encumbrances reported in the general fund amounted to \$593,812. As of June 30, 2022, the School District’s encumbrances were classified as follows:

General support	\$ 493,792
Instruction	<u>100,020</u>
Total encumbrances	<u>\$ 593,812</u>

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments of expenditures are recorded for budgetary control purposes in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as restricted fund balance in all funds other than the general fund, since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

Unassigned fund balance - Includes all other general fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the School District.

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

Order of Fund Balance Spending Policy

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

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

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

Total Fund Balance of Governmental Funds vs. Net Position of Governmental Activities

Total fund balance of the School District's governmental funds differs from net position of governmental activities reported in the statement of net position. This difference primarily results from the additional long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental fund balance sheets. Differences between the governmental funds statement of revenue, expenditures, and changes in fund balance and the statement of activities fall into one of three broad categories.

Long-Term Revenue and Expense Differences

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

Capital Related Differences

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

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

Long-Term Debt Transaction Differences

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net position.

Pension Differences

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

OPEB Differences

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

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

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

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

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year.

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

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

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

Fund Balance

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

4. CASH AND CASH EQUIVALENTS

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

The School District participates in NYLAF, a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law, whereby it holds a portion of the investments in cooperation with other participants. At June 30, 2022, the School District held \$6,446,195 in NYLAF consisting of various investments in securities issued by the United States and its agencies. NYLAF is rated 'AAAm' from Standard & Poor's Global Ratings. Amounts held with NYLAF are highly liquid, and the amount held represents the amortized cost of the investment pool shares, which are considered to approximate fair value. Due to the highly liquid nature of these investments, they are classified as cash equivalents in the financial statements. Additional information concerning NYLAF, including the annual report, can be found on its website at www.nylaf.org

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

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash	\$ 34,450,196	\$ 33,517,317
Cash equivalents	<u>6,446,195</u>	<u>6,446,195</u>
	<u>\$ 40,896,391</u>	<u>\$ 39,963,512</u>
Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name	\$ 33,950,196	
Covered by FDIC insurance	<u>500,000</u>	
Total	<u>\$ 34,450,196</u>	

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

General fund:	
Unemployment reserve	\$ 109,643
Retirement contributions - ERS	5,049,742
Retirement contributions - TRS	2,013,893
Employee benefits and accrued liabilities	2,406,796
Capital Projects	1,002,445
Liability reserve	2,657,784
Repair reserve	642,665
Debt service	<u>107,701</u>
	<u>\$ 13,990,669</u>
Capital Projects fund	<u>\$ 7,488,071</u>
Debt Service fund	<u>\$ 3,669,907</u>
Miscellaneous Special Revenue fund:	
Cash on deposit for scholarships and extraclassroom activity funds	<u>\$ 168,032</u>

5. PARTICIPATION IN BOCES

During the year, the School District was billed \$10,667,333 for BOCES administrative and program costs. The School District's share of BOCES aid amounted to \$2,531,529.

6. CAPITAL ASSETS, NET

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

	Restated Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 1,166,185	\$ -	\$ -	\$ 1,166,185
Construction in progress	<u>9,455,156</u>	<u>11,363,845</u>	<u>311,438</u>	<u>20,507,563</u>
Total non-depreciable cost	<u>10,621,341</u>	<u>11,363,845</u>	<u>311,438</u>	<u>21,673,748</u>
Capital assets that are depreciated:				
Land improvements	5,237,717	99,406	-	5,337,123
Buildings and improvements	77,786,160	-	-	77,786,160
Machinery and equipment	<u>20,294,506</u>	<u>1,633,893</u>	<u>619,284</u>	<u>21,309,115</u>
Total depreciable historical cost	<u>103,318,383</u>	<u>1,733,299</u>	<u>619,284</u>	<u>104,432,398</u>
Less accumulated depreciation:				
Land improvements	2,604,795	294,946	-	2,899,741
Buildings and improvements	26,261,949	1,738,351	578,388	27,421,912
Machinery and equipment	<u>12,730,356</u>	<u>1,749,882</u>	<u>-</u>	<u>14,480,238</u>
Total accumulated depreciation	<u>41,597,100</u>	<u>3,783,179</u>	<u>578,388</u>	<u>44,801,891</u>
Lease assets, being amortized				
Equipment	<u>235,251</u>	<u>216,568</u>	<u>-</u>	<u>451,819</u>
Total lease assets, being amortized	<u>235,251</u>	<u>216,568</u>	<u>-</u>	<u>451,819</u>
Less accumulated amortization				
Equipment	<u>-</u>	<u>106,762</u>	<u>-</u>	<u>106,762</u>
Total accumulated amortization	<u>-</u>	<u>106,762</u>	<u>-</u>	<u>106,762</u>
Total governmental activities capital asset, net	<u>\$ 72,577,875</u>	<u>\$ 9,423,771</u>	<u>\$ 352,334</u>	<u>\$ 81,649,312</u>

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

	Depreciation	Amortization
General support	\$ 605,309	\$ -
Instruction	2,421,234	106,762
General support	<u>756,636</u>	<u>-</u>
Total	<u>\$ 3,783,179</u>	<u>\$ 106,762</u>

7. SHORT-TERM DEBT

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

7. SHORT-TERM DEBT (Continued)

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

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

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

BAN	Issued	Maturity	Interest Rate	Beginning Balance	Issued	Principal Paid	Redeemed	Ending Balance
Buses & BOCES Capital Project	6/17/2021	6/16/2023	2.24%	\$ -	\$ 1,172,000	\$ -	\$ -	\$ 1,172,000
Capital Project Buses	10/19/2021	6/17/2022	0.46%	-	487,000	-	487,000	-
Buses and BOCES Capital Project	6/18/2021	6/17/2022	1.25%	17,756,813	-	2,691,813	15,065,000	-
				<u>\$ 17,756,813</u>	<u>\$ 1,659,000</u>	<u>\$ 2,691,813</u>	<u>\$ 15,552,000</u>	<u>\$ 1,172,000</u>

8. LONG-TERM DEBT

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

Interest paid	\$ 515,253
Less: interest accrued in the prior year	(19,499)
Less: amortization expense on bond premium	(153,867)
Plus: interest accrued in the current year	65,701
Plus: amortization expense on refunding bonds	77,949
Total expense	<u>\$ 485,537</u>

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

	Restated July 01, 2021 Balance	Additions	Deletions	June 30, 2022 Balance	Amounts Due Within One Year	Long-term Portion
Government activities:						
Bonds and notes payable						
General obligation debt:						
Serial bonds	\$ 10,040,000	\$ 17,395,000	\$ 2,345,000	\$ 25,090,000	\$ 3,365,000	\$ 21,725,000
Bond premium	516,683	-	153,867	362,816	-	362,816
Other long-term debt:						
Compensated absences	2,442,998	10,817 (A)	-	2,453,815	-	2,453,815
Lease obligations	65,719	216,568	239,238	43,049	22,784	20,265
Judgments and claims	-	1,746,571	-	1,746,571	-	1,746,571
Total other postemployment benefits	<u>402,003,414</u>	<u>26,631,560</u>	<u>94,581,654</u>	<u>334,053,320</u>	<u>-</u>	<u>334,053,320</u>
Total long-term liabilities	<u>\$ 415,068,814</u>	<u>\$ 46,000,516</u>	<u>\$ 97,319,759</u>	<u>\$ 363,749,571</u>	<u>\$ 3,387,784</u>	<u>\$ 360,361,787</u>

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

During fiscal year 2022, the School District issued two serial bonds in the amount of \$1,395,000 which will mature in 2035, and \$16,000,000 which will mature in 2038.

8. LONG-TERM DEBT (Continued)

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

<u>Bond Issue</u>	<u>Issued</u>	<u>Maturity</u>	<u>Interest Rate</u>	June 30, 2022 <u>Balance</u>
Construction Bond	2015	2029	2.00 - 2.50%	\$ 3,975,000
Construction Bond	2017	2032	2.00 - 3.00%	945,000
Construction Bond - 2017 Refunding	2017	2027	4.00	2,775,000
Construction Bond	2022	2035	4.00%	1,395,000
Construction Bond	2022	2038	5.00%	<u>16,000,000</u>
				<u>\$ 25,090,000</u>

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 3,365,000	\$ 1,317,948	\$ 4,682,948
2024	2,390,000	941,942	3,331,942
2025	2,400,000	850,608	3,250,608
2026	1,865,000	758,052	2,623,052
2027	1,915,000	687,226	2,602,226
2028-2032	7,050,000	2,423,750	9,473,750
2033-2037	5,865,000	867,900	6,732,900
2038	<u>240,000</u>	<u>12,000</u>	<u>252,000</u>
Totals	<u>\$ 25,090,000</u>	<u>\$ 7,859,426</u>	<u>\$ 32,949,426</u>

In prior years, the School District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School District's financial statements. \$2,955,000 of bonds outstanding are considered defeased at June 30, 2022.

Constitutional Debt Limit

The constitution of the state of New York limits the amount of indebtedness which may be issued by the School District. The School District may issue indebtedness to the extent that the aggregate outstanding debt issues which are subject to such limit do not exceed 10% of the average full valuation of taxable real estate within such District. At June 30, 2022, the School District has exhausted 8.96% of its constitutional debt limit.

9. LEASES

The School District leases various equipment, primarily from Pitney Bowes and Dutchess BOCES. The leases do not contain renewal options. The leases have various inception dates and remaining terms of 14-72 months. Lease agreements are summarized as follows:

<u>Description</u>	<u>Interest Rate</u>	<u>Total Lease Liability</u>
Pitney Bowes Equipment	2.16%	\$ 29,691
Cardiac Science Equipment	2.16%	<u>13,358</u>
Total		<u>\$ 43,049</u>

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

(Restated) <u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
\$ 65,719	\$ 216,568	\$ 239,238	\$ 43,049	\$ 22,784

Annual requirements to amortize long-term obligations and related interest are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 22,784	\$ 705	\$ 23,489
2024	9,150	347	9,497
2025	8,868	153	9,021
2026	<u>2,247</u>	<u>8</u>	<u>2,255</u>
Total Future Payments	<u>\$ 43,049</u>	<u>\$ 1,213</u>	<u>\$ 44,262</u>

10. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables, other than between governmental activities, are eliminated on the statement of net position.

The School District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

10. INTERFUND BALANCES AND ACTIVITY (Continued)

The following is a summary of interfund activity:

	Interfund		Interfund	
	Receivable	Payable	Revenue	Expenditures
General fund	\$ 1,774,807	\$ 4,464,374	\$ 90,000	\$ 9,105,506
Special Aid fund	-	1,774,807	168,861	-
School Lunch fund	154,741	-	-	-
Debt Service fund	29,670	-	5,554,422	-
Capital Projects fund	4,309,633	29,670	3,386,115	93,892
Totals	<u>\$ 6,268,851</u>	<u>\$ 6,268,851</u>	<u>\$ 9,199,398</u>	<u>\$ 9,199,398</u>

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

11. PENSION PLANS

New York State Employees' Retirement System

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

The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The system is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Contributions

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

	<u>ERS</u>
2022	\$ 1,190,225
2021	1,710,700
2020	1,492,658

11. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

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

At June 30, 2022, the School District reported a net pension asset of \$2,646,692 for its proportionate share of the ERS net pension asset. The net pension asset was measured as of March 31, 2022, and the total pension liability used to calculate the net pension asset was determined by the actuarial valuation as of April 1, 2021. The School District's proportion of the net pension asset was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2022, the School District's proportion was 0.032377%, which was a decrease from its proportion measured at June 30, 2021 of 0.032694%.

For the year ended June 30, 2022, the School District recognized pension expense of \$268,051. At June 30, 2022, the School District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>Resources</u>	<u>Resources</u>
Differences between expected and actual experience	\$ 200,438	\$ 259,979
Changes of Assumptions	4,417,032	74,533
Net difference between projected and actual earnings on pension plan investments	-	8,666,807
Changes in proportion and differences between the District's contributions and proportionate share of contributions	354,713	118,992
Contributions subsequent to the measurement date	401,437	-
Total	<u>\$ 5,373,620</u>	<u>\$ 9,120,311</u>

The School District recognized \$401,437 as deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2022 which will be recognized as an increase of the net pension asset in the year ending June 30, 2023.

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

Plan's Year Ending March 31,	2023	\$ (557,922)
	2024	(911,997)
	2025	(2,229,994)
	2026	(448,215)
	Thereafter	-
		<u>\$ (4,148,128)</u>

11. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

Actuarial Assumptions

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

Actuarial cost method	Entry age normal
Inflation	2.70%
Salary scale	4.4 % indexed by service
Projected COLAs	1.4% compounded annually
Decrements	Developed from the Plan's 2020 experience study of the period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2020
Investment Rate of Return	5.9% compounded annually, net of investment expenses

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

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

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

Discount Rate

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

11. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

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

The following presents the School District's proportionate share of the net pension asset calculated using the discount rate of 5.9%, as well as what the School District's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1% lower (4.90%) or 1% higher (6.90%) than the current rate:

	1% Decrease (4.90%)	Current Discount (5.90%)	1% Increase (6.90%)
Employer's Proportionate Share of Net Pension Liability (Asset)	\$ 6,812,557	\$ (2,646,692)	\$ (10,558,897)

Pension Plan Fiduciary Net Position

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

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

New York State Teachers' Retirement System

The School District participates in the New York State Teachers' Retirement System (NYSTRS). This is a cost-sharing, multiple employer public employee retirement system. The system offers a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

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

Contributions

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

11. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

Contributions (Continued)

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

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

	<u>TRS</u>
2022	\$ 3,387,378
2021	3,139,219
2020	3,165,898

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

At June 30, 2022, the School District reported a net pension asset of \$33,584,782 for its proportionate share of the NYSTRS net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension asset used to calculate the net pension asset was determined by the actuarial valuation as of June 30, 2021. The School District's proportion of the net pension asset was based on a projection of the School Districts' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2022 the School District's proportionate share was 0.193806%, which was a decrease from its proportion measured at June 30, 2021 of 0.195153%.

For the year ended June 30, 2022, the School District recognized pension income of \$(1,801,751). At June 30, 2022 the School District reported deferred outflows/inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,629,306	\$ 174,487
Changes of Assumptions	11,046,737	1,956,214
Net difference between projected and actual earnings on pension plan investments	-	35,149,950
Changes in proportion and differences between the District's contributions and proportionate share of contributions	345,032	5,089
Contributions subsequent to the measurement date	3,701,162	-
Total	<u>\$ 19,722,237</u>	<u>\$ 37,285,740</u>

The School District recognized \$3,701,162 as a deferred outflow of resources related to pensions resulting from the School District's contributions subsequent to the measurement date of June 30, 2021, which will be recognized as an increase of the net pension asset in the year ending June 30, 2023.

11. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

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

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

Plan's Year Ending June 30,	2022	\$ (4,211,736)
	2023	(4,988,612)
	2024	(6,348,787)
	2025	(8,440,835)
	2026	1,600,884
	Thereafter	<u>1,124,421</u>
		<u>\$ (21,264,665)</u>

Actuarial Assumptions

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

Actuarial cost method	Entry age normal										
Inflation	2.40%										
Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.										
	<table><thead><tr><th><u>Service</u></th><th><u>Rate</u></th></tr></thead><tbody><tr><td>5</td><td>5.18%</td></tr><tr><td>15</td><td>3.64%</td></tr><tr><td>25</td><td>2.50%</td></tr><tr><td>35</td><td>1.95%</td></tr></tbody></table>	<u>Service</u>	<u>Rate</u>	5	5.18%	15	3.64%	25	2.50%	35	1.95%
<u>Service</u>	<u>Rate</u>										
5	5.18%										
15	3.64%										
25	2.50%										
35	1.95%										
Projected COLAs	1.30% compounded annually										
Investment Rate of Return	6.95% compounded annually, net of pension plan investment expense, including inflation.										

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

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

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

11. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

Actuarial Assumptions (Continued)

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

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

Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2021 was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from School Districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the NYSTRS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	<u>1% Decrease (5.95%)</u>	<u>Current Discount (6.95%)</u>	<u>1% Increase (7.95%)</u>
Employer's Proportionate Share of Net Pension Liability (Asset)	\$ (3,524,233)	\$ (33,584,782)	\$ (58,848,493)

11. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

Pension Plan Fiduciary Net Position

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

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

12. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The School District administers a defined benefit OPEB plan and provides OPEB for all permanent full-time general and public safety employees of the School District. The plan is a single-employer defined benefit plan (the Plan). The Plan provides for Article 11 of the State Compiled Statutes which grants the authority to establish and amend the benefit terms and financial requirements to the School District's Board, subject to applicable collective bargaining and employment agreements, and Board of Education policy. The Plan does not issue a separate financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan. No assets are accumulated in trust that meet the criteria in paragraph 4 of GASB Statement No. 75.

Funding Policy

The obligations of the Plan members, employers and other contributing entities are established by action of the School District pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when the retirees health benefits are upon meeting the following requirements: 1) retire from the School District, 2) age 55 with 5 years of service and 3) enrollment in District provided health care at time of retirement. The School District currently funds the plan to satisfy current obligations on a pay-as-you-go basis.

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

Benefits Provided

The School District provides for continuation of medical and prescription drug benefits for certain retirees and their survivors and can be amended by action of the School District subject to applicable collective bargaining and employment agreements. The specifics of each contract are on file at the School District offices and area available upon request.

Employees Covered by Benefit Terms

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

Actives	626
Retirees	429
Beneficiaries	-
Spouses of Retirees	<u>241</u>
Total participants	<u><u>1,296</u></u>

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Total OPEB Liability

The School District's total OPEB liability of \$334,053,320 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2020.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Payroll growth	2.60 percent including inflation
Discount Rate	3.54 percent as of June 30, 2022
Healthcare Cost Trend Rates	5.3 percent, decreasing to an ultimate rate of 4.1 percent over 55 years.
Participation rate	Assumed that 100% of future retirees eligible for coverage will elect the benefit.
Cost method	Entry Age Normal

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

Mortality rates were RP-2014 adjusted to 2006 Total Dataset Mortality Table projected to the valuation date with Scale MP-2019 Ultimate Scale.

Retirement participation rate assumed that 100% of future retirees eligible for coverage will elect the benefit and 60% of active employees are assumed to elect family coverage at retirement with male spouses assumed to be 3 years older than female spouses. For current retirees, actual census information was used. Additionally, a tiered approach based on age and years of service was used to determine retirement rate assumption.

Termination rates are based on tables used by the New York State Teachers' Retirement System and the New York State and Local Retirement System. Rates are tiered based on the percentage of employees who will terminate employment at any given age each year, for reasons other than death or retirement.

Changes in the Total OPEB Liability

Balance at July 1, 2021	\$402,003,414
Changes for the Year	
Service cost	17,664,529
Interest	8,967,031
Effect of plan changes	-
Effect of demographic gains or losses	-
Effect of assumptions changes or inputs	(85,477,773)
Benefit payments	(9,103,881)
Net changes	<u>(67,950,094)</u>
Balance at June 30, 2022	<u>\$334,053,320</u>

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

	1% Decrease (2.54%)	Current Discount (3.54%)	1% Increase (4.54%)
Total OPEB Liability	<u>\$393,207,339</u>	<u>\$334,053,320</u>	<u>\$286,785,298</u>

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

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

	Healthcare		
	1% Decrease (4.30%)	Current Discount (5.30%)	1% Increase (6.30%)
Total OPEB Liability	<u>\$275,859,221</u>	<u>\$334,053,320</u>	<u>\$410,187,985</u>

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

For the year ended June 30, 2022, the School District recognized OPEB expense of \$36,114,123. 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
Differences between expected and actual experience	\$ 41,519,146	\$ 1,978,336
Changes of assumptions	<u>84,683,299</u>	<u>80,634,446</u>
Total	<u>\$126,202,445</u>	<u>\$ 82,612,782</u>

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

<u>Fiscal Year Ending June</u>	<u>Amount</u>
2023	\$ 9,482,563
2024	9,783,857
2025	13,786,764
2026	7,522,212
2027	7,522,212
Thereafter	<u>(4,507,945)</u>
	<u>\$ 43,589,663</u>

13. RISK MANAGEMENT

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

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 overall supervision and management of the reciprocal.

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 and an excess catastrophe liability policy with coverage up to \$10 million. The School District maintains liability coverage for school board members up to \$1 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 Dutchess County participate in the Dutchess Education Health Insurance Consortium, a public entity risk pool operated by the benefit of individual governmental units located within the County. The School District pays an annual premium to the Plan for its coverage. The Plan is considered a self-sustaining risk pool that will provide coverage for its members and the School District has essentially transferred all related risk to the Plan.

13. RISK MANAGEMENT (Continued)

The School District participates in a claims-servicing public entity risk pool, Dutchess County Schools Cooperative Self-Insurance Plan for Workers' Compensation (Cooperative) to insure workers' compensation claims. The Cooperative was formed under NYS General Municipal Law on July 1, 1991. The Cooperative is governed by an agreement administered by a Board of Directors, consisting of one Director for each member. As of June 30, 2022, there were 13 members in the Cooperative. Workers' Compensation benefits are provided by the Cooperative and administered under a contract with Wright Risk Management, the third party claims administered for the Cooperative. The School District's share of the liability for unbilled open claims is \$1,746,571 at June 30, 2022.

The purpose of the Cooperative is to provide efficiency and economy through centralized administration and accounting for self-insured workers' compensation coverage to members. Revenues are predominately from premiums and members continue to be individually liable for the ultimate Workers' Compensation risk for employees and third parties. The Cooperative purchases an excess-loss insurance policy on an annual basis in order to limit its exposure for claims paid for workers' compensation and employer's liability within any one fiscal year. The excess loss insurance includes \$500,000 specific retention per occurrence with a maximum benefit of \$3,000,000.

14. TAX ABATEMENTS

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

The County of Dutchess enters into various property tax and sales tax (if applicable) abatement programs for the purpose of economic development. The School District did not have any significant abatements during June 30, 2022. The School District received Payments in Lieu of Taxes (PILOT) payments totaling \$49,882.

Owner/Property	Purpose	Assessment	Tax Rate	Tax Value	PILOT Received	Percent of Tax Abated
Parker/Hamilton Corporation	PILOT	1,450,000	21.610408	31,335	31,335	0%
Underhill Solar LLC	Solar PILOT	2,507,999	22.645446	54,199	9,365	82.7%
Salt Point Solar	Solar PILOT	1,141,100	43.220954	49,319	9,182	81.4%
Total Payment in Lieu of Taxes				\$ 134,853	\$ 49,882	63.0%

15. CONTINGENCIES AND COMMITMENTS

General Information

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

The School District has various commitments with contractors for the completion of capital projects over the next several years.

Litigation

The School District has been named as defendant in various actions. A review of these actions by School District management indicated that they are either fully covered by insurance or not substantial enough to materially affect the financial position of the School District.

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. Any payment resulting from adverse decisions will be funded in the year the payment is made.

16. CHANGE IN ACCOUNTING PRINCIPLE

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

	<u>Net Position</u>
Balance at June 30, 2021, as originally stated	\$ (167,381,034)
Restatement of beginning balance - Adoption of GASB Statement No. 87	
Adjustments:	
Net book value leased assets	235,251
Lease liability	<u>(65,719)</u>
Balance at July 1, 2021, as restated	<u>\$ (167,211,502)</u>

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

HYDE PARK CENTRAL SCHOOL DISTRICT

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Encumbrances</u>	<u>Final Budget Variance with Budgetary Actual</u>
REVENUE					
LOCAL SOURCES:					
Real property taxes	\$ 64,168,591	64,168,591	\$ 64,068,398	\$ -	\$ (100,193)
Charges for services	415,000	415,000	329,393	-	(85,607)
Use of money and property	200,000	200,000	74,452	-	(125,548)
Sale of property and compensation for loss	-	81,716	91,861	-	10,145
Miscellaneous	<u>275,000</u>	<u>2,058,313</u>	<u>1,987,489</u>	<u>-</u>	<u>(70,824)</u>
Total local sources	65,058,591	66,923,620	66,551,593	-	(372,027)
State sources	34,063,768	34,063,768	33,363,935	-	(699,833)
Federal sources	345,000	368,718	390,424	-	21,706
Medicaid reimbursement	<u>150,000</u>	<u>150,000</u>	<u>218,345</u>	<u>-</u>	<u>68,345</u>
Total revenue	<u>99,617,359</u>	<u>101,506,106</u>	<u>100,524,297</u>	<u>-</u>	<u>(981,809)</u>

(Continued)

HYDE PARK CENTRAL SCHOOL DISTRICT

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

(Continued)

FOR THE YEAR ENDED JUNE 30, 2022

	Original <u>Budget</u>	Final <u>Budget</u>	Actual <u>(Budgetary Basis)</u>	<u>Encumbrances</u>	Variance with Budgetary Actual and Encumbrances
EXPENDITURES					
GENERAL SUPPORT:					
Board of education	\$ 169,267	\$ 182,074	\$ 125,855	\$ -	\$ 56,219
Central administration	319,162	336,343	320,481	-	15,862
Finance	1,012,079	877,107	789,557	-	87,550
Staff	695,026	801,898	683,425	-	118,473
Central services	7,682,246	8,440,104	7,319,401	493,792	626,911
Special items	<u>2,146,219</u>	<u>2,212,468</u>	<u>2,212,468</u>	<u>-</u>	<u>-</u>
Total general support	<u>12,023,999</u>	<u>12,849,994</u>	<u>11,451,187</u>	<u>493,792</u>	<u>905,015</u>
INSTRUCTION:					
Instruction, administration, and improvement	3,889,240	4,060,222	3,892,418	-	167,804
Teaching - Regular school	22,325,839	22,590,440	21,752,822	99,169	738,449
Programs for children with handicapping conditions	14,329,774	13,686,524	13,099,613	-	586,911
Occupational education	2,208,415	2,111,819	2,099,364	94	12,361
Instructional media	2,622,400	3,185,685	3,113,252	267	72,166
Pupil services	<u>4,079,478</u>	<u>4,269,060</u>	<u>3,831,131</u>	<u>490</u>	<u>437,439</u>
Total instruction	49,455,146	49,903,750	47,788,600	100,020	2,015,130
Pupil transportation	6,012,407	6,861,408	6,587,690	-	273,718
Community services	15,000	15,000	-	-	15,000
Employee benefits	30,825,225	31,067,165	29,140,671	-	1,926,494
Debt service - Interest	-	-	1,536	-	(1,536)
Debt service - Principal	<u>-</u>	<u>-</u>	<u>239,238</u>	<u>-</u>	<u>(239,238)</u>
Total expenditures	98,331,777	100,697,317	95,208,922	593,812	4,894,583
OTHER FINANCING SOURCES (USES)					
BANs redeemed from appropriations	1,246,960	1,246,960	391,960	-	(855,000)
Proceeds from the issuance of capital leases	-	-	216,568	-	216,568
Operating transfers in	-	-	90,000	-	90,000
Operating transfers (out)	<u>(6,157,730)</u>	<u>(9,443,845)</u>	<u>(9,105,506)</u>	<u>-</u>	<u>338,339</u>
Total other financing sources (uses)	<u>(4,910,770)</u>	<u>(8,196,885)</u>	<u>(8,406,978)</u>	<u>-</u>	<u>(210,093)</u>
Total expenditures and other financing sources (uses)	<u>103,242,547</u>	<u>108,894,202</u>	<u>103,615,900</u>	<u>593,812</u>	<u>4,684,490</u>
NET CHANGE IN FUND BALANCE	(3,625,188)	(7,388,096)	(3,091,603)	(593,812)	3,702,681
FUND BALANCE - beginning of year	<u>26,396,950</u>	<u>26,396,950</u>	<u>26,396,950</u>	<u>-</u>	<u>-</u>
FUND BALANCE - end of year	<u>\$ 22,771,762</u>	<u>\$ 19,008,854</u>	<u>\$ 23,305,347</u>	<u>\$ (593,812)</u>	<u>\$ 3,702,681</u>

See the independent auditor's report

HYDE PARK CENTRAL SCHOOL DISTRICT

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

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Plan Fiscal Years (Dollar amounts displayed in thousands)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Proportion of the net pension liability (asset)	0.032377%	0.032694%	0.034100%	0.033600%	0.032400%	0.033000%	0.345000%	0.356000%		
Proportionate share of the net pension liability (asset)	(\$2,647)	\$33	\$9,029	\$2,831	\$1,048	\$3,105	\$5,537	\$1,203		
Covered-employee payroll	\$10,834	\$11,228	\$10,802	\$10,372	\$10,006	\$9,737	\$9,358	\$9,371		
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-24.43%	0.29%	83.59%	27.29%	10.47%	31.89%	59.17%	12.84%		
Plan fiduciary net position as a percentage of the total pension liability (asset)	103.65%	99.95%	86.39%	98.24%	98.24%	94.70%	90.70%	97.90%		

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

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Plan Fiscal Years (Dollar amounts displayed in thousands)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Proportion of the net pension liability (asset)	0.193806%	0.195153%	0.195200%	0.196600%	0.200800%	0.203400%	0.205800%	0.209400%		
Proportionate share of the net pension liability (asset)	(\$33,585)	\$5,393	(\$5,070)	(\$3,556)	(\$1,526)	\$2,179	(\$21,381)	(\$23,331)		
Covered-employee payroll	\$34,565	\$32,940	\$33,468	\$32,997	\$32,416	\$32,282	\$31,922	\$31,170		
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-97.16%	16.37%	-15.15%	-10.78%	-4.71%	6.75%	-66.98%	-74.85%		
Plan fiduciary net position as a percentage of the total pension liability (asset)	113.25%	97.76%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%		

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

HYDE PARK CENTRAL SCHOOL DISTRICT

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

	Last 10 Plan Fiscal Years (Dollar amounts displayed in thousands)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN										
Contractually required contribution	\$ 1,190	\$ 1,711	\$ 1,505	\$ 1,478	\$ 1,480	\$ 1,459	\$ 1,661	\$ 1,807		
Contributions in relation to the contractually required contribution	<u>1,190</u>	<u>1,711</u>	<u>1,505</u>	<u>1,478</u>	<u>1,480</u>	<u>1,459</u>	<u>1,661</u>	<u>1,807</u>		
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Covered-employee payroll	\$ 10,834	\$ 11,228	\$ 10,802	\$ 10,372	\$ 10,006	\$ 9,737	\$ 9,358	\$ 9,371		
Contributions as a percentage of covered-employee payroll	10.99%	15.24%	13.93%	14.25%	14.79%	14.98%	17.75%	19.28%		
Last 10 Plan Fiscal Years (Dollar amounts displayed in thousands)										
NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN										
Contractually required contribution	\$ 3,387	\$ 3,139	\$ 3,460	\$ 3,139	\$ 3,729	\$ 4,162	\$ 5,420	\$ 5,027		
Contributions in relation to the contractually required contribution	<u>3,387</u>	<u>3,139</u>	<u>3,460</u>	<u>3,139</u>	<u>3,729</u>	<u>4,162</u>	<u>5,420</u>	<u>5,027</u>		
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Covered-employee payroll	\$ 34,565	\$ 32,940	\$ 33,468	\$ 32,977	\$ 32,416	\$ 32,282	\$ 31,922	\$ 31,170		
Contributions as a percentage of covered-employee payroll	9.80%	9.53%	10.34%	9.52%	11.50%	12.89%	16.98%	16.13%		

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

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

HYDE PARK CENTRAL SCHOOL DISTRICT

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

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total OPEB Liability										
Service cost	\$ 17,665	\$ 11,747	\$ 10,726	\$ 9,107	\$ 8,792					
Interest	8,967	8,803	10,050	7,845	6,798					
Effect of plan changes	-	-	(35,133)	-	-					
Effect of demographic gains or losses	-	51,827	(3,957)	10,014	-					
Effect of assumptions changes or inputs	(85,478)	94,949	16,623	19,061	(29,828)					
Benefit payments	(9,104)	(8,685)	(7,755)	(6,415)	(4,545)					
Total change in total OPEB liability	(67,950)	158,641	(9,446)	39,612	(18,783)					
Total OPEB liability - beginning	402,003	243,362	252,808	213,197	231,981					
Total OPEB liability - ending	\$ 334,053	\$ 402,003	\$ 243,362	\$ 252,809	\$ 213,198					
Covered-employee payroll	\$ 40,105	\$ 40,105	\$ 42,409	\$ 33,054	\$ 38,914					
Total OPEB liability as a percentage of covered-employee payroll	833.0%	1002.4%	573.8%	764.8%	547.9%					

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

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

Notes to schedule:

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

Discount rate	2022	2021	2020	2019	2018
	3.54%	2.16%	3.51%	3.87%	3.58%

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

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

SUPPLEMENTARY INFORMATION

HYDE PARK CENTRAL SCHOOL DISTRICT, NEW YORK

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

	School Lunch	Miscellaneous Special Revenue	Debt Service	Total Non-Major Governmental Funds
ASSETS				
Cash and cash equivalents - unrestricted	\$ 203,623	\$ -	\$ -	\$ 203,623
Cash and cash equivalents - restricted	-	168,032	3,669,907	3,837,939
Accounts receivable	5,616	-	-	5,616
Due from other funds	154,741	-	29,670	184,411
State and federal aid	364,736	-	-	364,736
Inventory	68,648	-	-	68,648
TOTAL ASSETS	\$ 797,364	\$ 168,032	\$ 3,699,577	\$ 4,664,973
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable	\$ 37,136	\$ 6,461	\$ -	\$ 43,597
Due to other governments	172	-	-	172
Unearned revenues	18,292	-	-	18,292
TOTAL LIABILITIES	55,600	6,461	-	62,061
Fund balance				
Nonspendable				
Inventory	68,648	-	-	68,648
Restricted				
Debt	-	-	3,699,577	3,699,577
Other	-	161,571	-	161,571
Total restricted fund balance	-	161,571	3,699,577	3,861,148
Assigned				
Other	673,116	-	-	673,116
Total assigned fund balance	673,116	-	-	673,116
TOTAL FUND BALANCE	741,764	161,571	3,699,577	4,602,912
TOTAL LIABILITIES AND FUND BALANCE	\$ 797,364	\$ 168,032	\$ 3,699,577	\$ 4,664,973

HYDE PARK CENTRAL SCHOOL DISTRICT, NEW YORK

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

	School Lunch	Miscellaneous Special Revenue	Debt Service	Total Non-Major Governmental Funds
REVENUE:				
Use of money and property	\$ -	\$ -	\$ 9,213	\$ 9,213
Miscellaneous	14,680	149,609	-	164,289
State sources	37,396	-	-	37,396
Federal sources	2,229,534	-	-	2,229,534
Sales - school lunch	103,037	-	-	103,037
Total revenue	2,384,647	149,609	9,213	2,543,469
EXPENDITURES:				
Employee benefits	331,757	-	-	331,757
Debt service - Interest	-	-	513,717	513,717
Debt service - Principal	-	-	5,036,813	5,036,813
Cost of sales	1,393,217	-	-	1,393,217
Other	-	162,740	-	162,740
Total expenditures	1,724,974	162,740	5,550,530	7,438,244
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	659,673	(13,131)	(5,541,317)	(4,894,775)
OTHER FINANCING SOURCES (USES)				
Premium on issuance of debt	-	-	29,670	29,670
Operating transfers in	-	-	5,554,422	5,554,422
Total other sources (uses)	-	-	5,584,092	5,584,092
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND OTHER SOURCES (USES)	659,673	(13,131)	42,775	689,317
FUND BALANCE - beginning of year	82,091	174,702	3,656,802	3,913,595
FUND BALANCE - end of year	\$ 741,764	\$ 161,571	\$ 3,699,577	\$ 4,602,912

OTHER INFORMATION (UNAUDITED)

HYDE PARK CENTRAL SCHOOL DISTRICT

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

CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET

Adopted budget	\$ 103,242,547
Add: Prior year's encumbrances	<u>290,051</u>
Original budget	103,532,598
Budget revision:	<u>5,361,604</u>
Final budget	<u>\$ 108,894,202</u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2022-23 voter-approved expenditure budget	\$ 105,773,963	
Maximum allowed (4% of 2022-23 budget)		<u>\$ 4,230,959</u>

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

Unrestricted fund balance:	
Assigned fund balance	\$ 4,219,000
Unassigned fund balance	<u>3,303,328</u>
	<u>\$ 7,522,328</u>

Less:

Appropriated fund balance	\$ 3,625,188
Encumbrances included in assigned fund balance	<u>593,812</u>
Total adjustments	<u>\$ 4,219,000</u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law \$ 3,303,328

Actual percentage 3.12%

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

HYDE PARK CENTRAL SCHOOL DISTRICT

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

PROJECT TITLE	Revised <u>Appropriation</u>	<u>Expenditures</u>			Unexpended <u>Balance</u>	<u>Methods of Financing</u>				Fund Balance <u>June 30, 2022</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>		<u>Proceeds of Obligations</u>	<u>State Aid</u>	<u>Local Sources</u>	<u>Total</u>	
Buses 2016-2017	\$ 1,005,219	\$ 996,217	\$ -	\$ 996,217	\$ 9,002	\$ 996,217	\$ -	\$ -	\$ 996,217	\$ -
Buses 2017-2018	982,226	967,226	-	967,226	15,000	970,000	-	-	970,000	2,774
Buses 2018-2019	742,904	726,126	3,892	730,018	12,886	680,000	-	50,018	730,018	-
Buses 2019-2020	753,540	747,009	-	747,009	6,531	363,000	-	-	363,000	(384,009)
Buses 2020-2021	519,344	517,358	-	517,358	1,986	94,853	-	124,491	219,344	(298,014)
Buses 2021-2022	501,173	-	486,943	486,943	14,230	-	-	-	-	(486,943)
FDR Lobby Bathrooms (Men's)	100,000	10,000	90,000	100,000	-	-	-	100,000	100,000	-
FDR Entryways	100,000	-	99,406	99,406	594	-	-	100,000	100,000	594
HMS Flooring Project	100,000	-	-	-	100,000	-	-	100,000	100,000	100,000
Smart Schools Bond Act	2,176,655	2,086,353	-	2,086,353	90,302	-	2,068,862	-	2,068,862	(17,491)
FDR Tech Project	1,015,512	164,776	584,617	749,393	266,119	-	-	1,015,513	1,015,513	266,120
Science Labs/HVAC (part of \$26.2M project)	26,224,708	9,290,380	10,258,564	19,548,944	6,675,764	22,743,020	-	4,876,688	27,619,708	8,070,764
District Wide Project (\$35.7M)	<u>35,717,292</u>	<u>-</u>	<u>209,228</u>	<u>209,228</u>	<u>35,508,064</u>	<u>-</u>	<u>-</u>	<u>3,286,116</u>	<u>3,286,116</u>	<u>3,076,888</u>
Total	\$ 69,938,573	\$ 15,505,445	\$ 11,732,650	\$ 27,238,095	\$ 42,700,478	\$ 25,847,090	\$ 2,068,862	\$ 9,652,826	\$ 37,568,778	\$ 10,330,683

HYDE PARK CENTRAL SCHOOL DISTRICT

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

Capital assets, net		\$ 81,649,312
Deduct:		
Bond anticipation notes	1,172,000	
Unamortized bond premium	362,816	
Short-term portion of bonds payable	3,365,000	
Long-term portion of bonds payable	21,725,000	
Short-term portion of lease payable	22,784	
Long-term portion of lease payable	<u>20,265</u>	
		26,667,865
Add:		
Unamortized amount on refunding bonds		217,740
Unspent bond proceeds		<u>7,488,071</u>
Net investment in capital assets		<u>\$ 62,687,258</u>

REQUIRED REPORTS UNDER UNIFORM GUIDANCE

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

October 10, 2022

To the Board of Education of
Hyde Park Central School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Hyde Park Central School District (School District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 10, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

(Continued)

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

October 10, 2022

To the Board of Education of
Hyde Park Central School District:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

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

www.bonadio.com

(Continued)

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

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.

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

(Continued)

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

Report on Internal Control over Compliance (Continued)

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

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

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

HYDE PARK CENTRAL SCHOOL DISTRICT

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

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing</u>	<u>Pass Through Grant Number</u>	<u>Expenditures</u>
U.S. Department of Agriculture			
Passed through New York State Department of Education			
<i>Child Nutrition Cluster</i>			
National School Lunch Program (food donations)	10.555	N/A	\$ 164,674 *
School Breakfast Program	10.553	N/A	419,892
National School Lunch Program	10.555	N/A	1,596,723 *
Summer Food Service Program for Children	10.559	N/A	44,038
Total Child Nutrition Cluster			<u>2,225,327</u>
State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant	10.649	N/A	4,207
Total U.S. Department of Agriculture			<u>2,229,534</u>
U.S. Department of Education			
Passed through New York State Department of Education			
<i>Special Education Cluster (IDEA)</i>			
Special Education Grants to States	84.027	0032-22-0173	1,049,632
Special Education Preschool Grants	84.173	0033-22-0173	53,533
Total Special Education Cluster (IDEA)			<u>1,103,165</u>
Title I Grants to Local Educational Agencies	84.010	0011-21-3072	3,000
Title I Grants to Local Educational Agencies	84.010	0011-22-3072	50,754
Title I Grants to Local Educational Agencies	84.010	0021-21-0650	152,914
Title I Grants to Local Educational Agencies	84.010	0021-22-0650	808,557
Total Title I Grants to Local Educational Agencies			<u>1,015,225</u>
Impact Aid	84.041	N/A	367,057
English Language Acquisition State Grants	84.365	0293-22-0650	13,529
Supporting Effective Instruction State Grants	84.367	0147-21-0650	4,250
Supporting Effective Instruction State Grants	84.367	0147-22-0650	10,435
Total Improving Teacher Quality State Grants			<u>14,685</u>
Student Support and Academic Enrichment Program	84.424	0204-21-0650	11,875
Student Support and Academic Enrichment Program	84.424	0204-22-0650	41,982
Total Student Support and Academic Enrichment Program			<u>53,857</u>
COVID-19 - Governor's Emergency Education Relief Fund	84.425C	5895-21-0650	3,479
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	5890-21-0650	19,888
COVID-19 - Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - CRRSA - GEER II	84.425U	5896-21-0650	52,454
COVID-19 - Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - CRRSA - ESSER II	84.425U	5891-21-0650	834,279
COVID-19 - American Rescue Plan - Elementary and Secondary Emergency Relief - APR ESSER III	84.425U	5880-21-0650	739,654
Total COVID-19 Education Stabilization Fund			<u>1,649,754</u>
Total U.S. Department of Education			<u>4,217,272</u>
Total expenditures of federal awards			<u>\$ 6,446,806</u>
Total National School Lunch Program	10.555		1,761,397 *

See independent auditors report.

The accompanying notes to the schedule of federal awards are an integral part of the schedule.

HYDE PARK CENTRAL SCHOOL DISTRICT

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

1. BASIS OF PRESENTATION

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

2. BASIS OF ACCOUNTING

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

3. PASS-THROUGH PROGRAMS

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

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

4. INDIRECT COSTS

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

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

5. MATCHING COSTS

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

6. SUBRECIPIENTS

No amounts were provided to subrecipients.

7. NONMONETARY ASSISTANCE

The School District is the recipient of a federal financial award program that does not result in cash receipts or disbursements termed a non-monetary program. During the year ended June 30, 2022, the School District received food commodities; the fair value of which amounted to \$164,674 is presented in the Schedule as National School Lunch Program (Assistance Listing No. 10.555).

HYDE PARK CENTRAL SCHOOL DISTRICT

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

Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiencies identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes No

Significant deficiencies identified Yes None reported

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

Unmodified

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

Yes No

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425C, 84.425D, 84.425U	COVID-19 Education Stabilization Fund
84.027, 84.173	Special Education Cluster (IDEA)

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

\$ 750,000

Auditee qualified as low-risk auditee?

Yes No

HYDE PARK CENTRAL SCHOOL DISTRICT

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

Section II—Financial Statement Findings

None.

Section III—Federal Award Findings and Questioned Costs

None.