GREENWOOD LAKE UNION FREE SCHOOL DISTRICT
GREENWOOD LAKE, NEW YORK
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED
JUNE 30, 2023
INCLUDING REPORT ON
EXTRACLASSROOM ACTIVITY FUNDS

GREENWOOD LAKE UNION FREE SCHOOL DISTRICT
GREENWOOD LAKE, NEW YORK
JUNE 30, 2023
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Nugent & Haeussler, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ESTABLISHED 1925

101 Bracken Road
Montgomery, New York 12549
Tel (845) 457-1100
Fax (845) 457-1160
e-mail: nh@nhcpas.com

Peter J. Bullis, CPA, FACFEI, DABFA
Christopher E. Melley, CPA
Gary C. Theodore, CPA
Julia R. Fraino, CPA
William T. Trainor, CPA
Mark M. Levy, CPA, CFP
Thomas R. Busse, Jr., CPA
Brent T. Napoleon, CPA
Jennifer L. Capicchioni, CPA
Patrick M. Bullis, CPA
Justin B. Wood, CPA
Richard P. Capicchioni, CPA

Norman M. Sassi, CPA
Walter J. Jung, CPA

INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of
Greenwood Lake Union Free School District
Greenwood Lake, New York

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the fiduciary fund of the Greenwood Lake Union Free School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Greenwood Lake Union Free School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the fiduciary fund of the Greenwood Lake Union Free School District as of June 30, 2023, 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 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Greenwood Lake Union Free School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Greenwood Lake Union Free School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

MEMBERS: NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS • AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information on pages 4 through 15 and 69 through 73 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statement that collectively comprise the Greenwood Lake Union Free School District's basic financial statements. The supplemental schedules on pages 74 through 76 are required by the New York State Education Department and are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules on pages 74 through76 fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated October 12, 2023, on our consideration of the Greenwood Lake Union Free School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Greenwood Lake Union Free School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Greenwood Lake Union Free School District's internal control over financial reporting and compliance.

Nugent + Haeussler, P.C.

Montgomery, New York
October 12, 2023

Management Discussion and Analysis

Introductory Section

The following is a discussion and analysis of Greenwood Lake Union Free School District's financial performance for the year ended June 30, 2023. The section is a summary of the Greenwood Lake Union Free School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the district-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which immediately follow this section.

Financial Highlights

- Tax revenues accounted for $16,067,480 or approximately 61% of the total revenues in the general fund.
- State and Federal sources accounted for $7,522,430 or approximately 28% of the total revenues in the general fund.
- The District's tax certiorari liabilities are fully funded by the Tax Certiorari Reserve which has a balance of $670,815.
- Due to Covid-19 in prior years, the District had remaining unexpended Surplus Funds of $1,399,896, in excess of the 4% limit, as of June 30, 2022. During the 2022-2023 school year, the District proposed and the Board of Education approved to use $323,374 of these funds to cover the additional cost of upgrading the District's Security Camera System.
- The Federal Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act provided the District with financial assistance to prevent, prepare for, and respond to coronavirus. The Elementary and Secondary School Emergency Relief (ESSER 2) Fund allocated $420,739 for the District to be used by September 2023, of which $418,023 was expended as of June 30, 2023. The District used these funds to cover the cost of tutoring, inspections of the Air Filtration and Ventilation System, as well as the purchase of PPE related materials and supplies. The Governor's Emergency Education Relief (GEER 2) Fund allocated $36,931 for the District to be used by September 2023, of which $36,931 was expended as of June 30, 2023. These funds were utilized to cover the cost of purchasing iPads for students.
- The Federal American Rescue Plan (ARP) Act provided the District with financial assistance to support continuity of services, address learning loss, and to respond to the impact of coronavirus on our students. The Elementary and Secondary School Emergency Relief (ESSER 3) Fund allocated $494,937 for the District to be used by September 2024, of which $17,300 was expended during the 2022-23 fiscal year. These funds were used to cover engineering costs related to the installation of windows. Future planned costs include the cost of tutoring and summer programs to address learning loss, the installation of windows to support proper functioning of MERV 13 air filters, additional engineering costs related to the installation of windows, as well as the purchase of PPE related materials and supplies.

- Capital project #015 construction was completed as of June 30, 2023. The project consisted of Elementary School Kitchen and Cafeteria renovations. As of June 30, 2022, the projected cost of the project is $1,535,182 which has been funded through Bond Proceeds..

- Capital project #023 was in the planning and design phase as of June 30, 2023. The project will consist of Middle School replacement of existing roof areas that are approximately 20 years old and past their useful life. As of June 30, 2023, the projected cost of the project is $862,034 which has been funded through budgetary appropriations.

- Capital project #025 was in the planning and design phase as of June 30, 2023. The project will consist of Middle School replacement of existing domestic water booster pumps and expansion tank, along with the control for these pumps, the well pump, and the chlorine injection system that are approximately 11 years old and past their useful life. As of June 30, 2023, the projected cost of the project is $218,700 which has been funded through budgetary appropriations.

- Capital project #003 Smart Schools Bond Act (SSBA) construction continued at the middle school through June 30, 2023. The project consists of improvements and upgrades to the District's Entry control and security system, as well as replacement doors and hardware. As of June 30, 2023, the total projected cost of the project is $744,067 of which has been funded through the Smarts School Bond Act funding and budgetary appropriations.

Overview of the Financial Statements

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

- The first two statements are *district-wide* financial statements that provide both *short-term* and *long-term* information about the District's overall financial status.

- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the district-wide statements.

- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.

- *Fiduciary funds* statements provide information about the financial relationships in which the District acts solely as a *custodian* or *agent* for the benefit of others.

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

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

Major Features of the District-Wide and Fund Financial Statements			
		Fund Financial Statements	
	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the District administers resources on behalf of someone else, such as scholarship programs
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances	• Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/liability/ deferred inflows of resources information	All assets, deferred outflows of resources, liabilities and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources (if any) both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/out flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

District-Wide Financial Statements

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

The two district-wide statements report the District's net position and how it has changed. Net Position, the difference between the District's assets and deferred outflows and its liabilities and deferred inflows, is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.

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

The District has two kinds of funds:

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

- Fiduciary Funds: The District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

Financial Analysis of the District as a Whole

For the year ended June 30, 2023, net position decreased by $1,647,447 from ($7,338,131) in the prior year to ($8,985,578) in the current year. The following table provides a summary of the District's net position:

Summary of Net Position

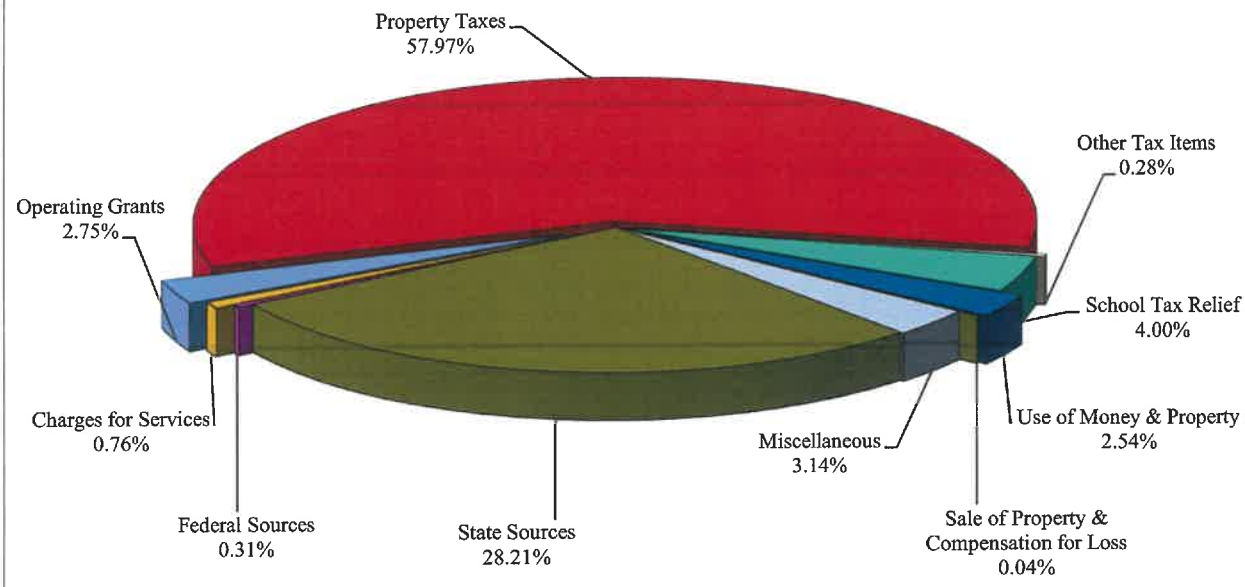
	School District Activities			
	June 30, 2023	June 30, 2022	$ Change	% Change
Current Assets	$ 20,087,056	$ 20,931,860	$ (844,804)	-4.04%
Non-Current Assets	15,468,764	21,705,099	(6,236,335)	-28.73%
Total Assets	35,555,820	42,636,959	(7,081,139)	-16.61%
Deferred Outflows of Resources	12,444,290	13,906,897	(1,462,607)	-10.52%
Total Assets & Deferred Outflows of Resources	48,000,110	56,543,856	(8,543,746)	-15.11%
Current Liabilities	2,409,165	2,395,926	13,239	0.55%
Long-Term Debt Outstanding	44,226,457	49,828,427	(5,601,970)	-11.24%
Total Liabilities	46,635,622	52,224,353	(5,588,731)	-10.70%
Deferred Inflows of Resources	10,350,066	11,657,634	(1,307,568)	-11.22%
Total Liabilities & Deferred Inflows of Resources	56,985,688	63,881,987	(6,896,299)	-10.80%
Net Position:				
Net Investment in Capital Assets	13,624,952	13,910,466	(285,514)	-2.05%
Restricted as Restated	13,242,286	21,120,511	(7,878,225)	-37.30%
Unrestricted	(35,852,816)	(42,369,108)	6,516,292	15.38%
Total Net Position	$ (8,985,578)	$ (7,338,131)	$ (1,647,447)	-22.45%

The following table and supporting graphs provide a summary of revenues, expenses and changes in net position for the year ended June 30, 2023 and 2022:

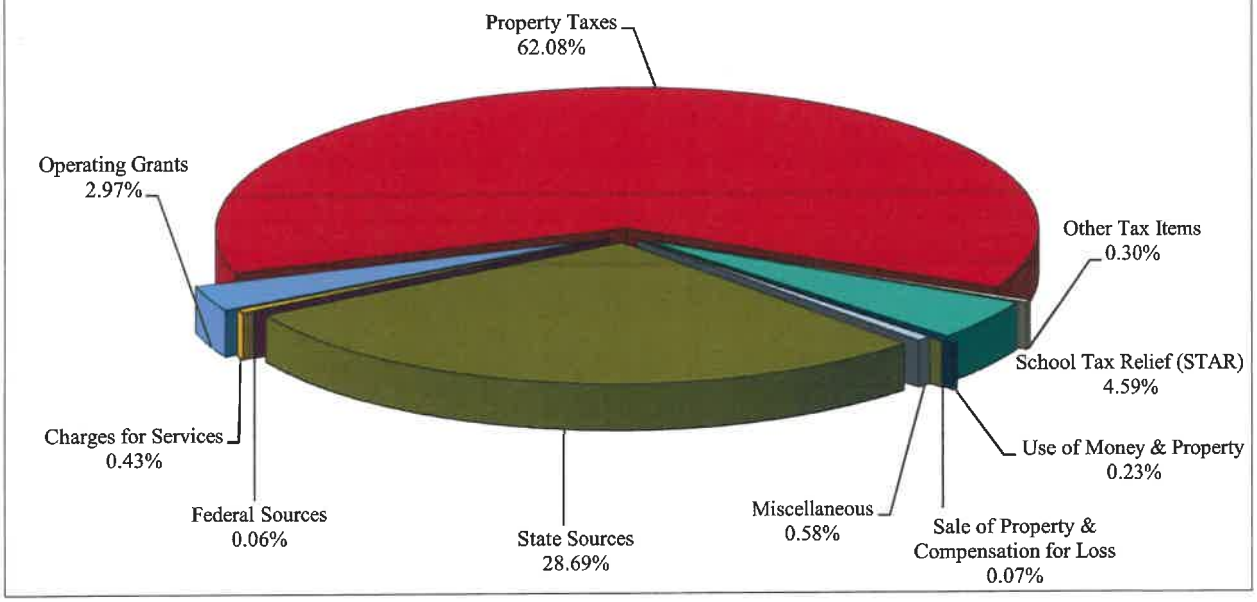
GREENWOOD LAKE UNION FREE SCHOOL DISTRICT
GREENWOOD LAKE, NEW YORK
STATEMENT OF ACTIVITIES
SUMMARY OF CHANGES IN NET POSITION

	FOR THE YEAR ENDED JUNE 30, 2023	%	FOR THE YEAR ENDED JUNE 30, 2022	%	$ Change	% Change
REVENUES						
PROGRAM REVENUES:						
Charges for Services	$ 209,331	0.76%	$ 108,647	0.43%	$ 100,684	92.67%
Operating Grants	762,114	2.75%	755,553	2.97%	6,561	0.87%
GENERAL REVENUES:						
Property Taxes	16,067,480	57.97%	15,789,059	62.08%	278,421	1.76%
Other Tax Items	77,000	0.28%	77,000	0.30%	0	0.00%
School Tax Relief (STAR)	1,107,742	4.00%	1,166,076	4.59%	(58,334)	-5.00%
Use of Money & Property	704,264	2.54%	58,647	0.23%	645,617	1100.85%
Sale of Property & Compensation for Loss	11,671	0.04%	18,045	0.07%	(6,374)	35.32%
Miscellaneous	871,297	3.14%	148,664	0.58%	722,633	486.08%
State Sources	7,818,964	28.21%	7,295,598	28.69%	523,366	7.17%
Federal Sources	86,284	0.31%	14,512	0.06%	71,772	494.57%
TOTAL REVENUES	27,716,147	100.00%	25,431,801	100.00%	2,284,346	8.98%
EXPENSES						
General Support	3,447,252	11.74%	3,155,092	11.52%	292,160	9.26%
Instruction	14,953,423	50.91%	14,470,720	52.84%	482,703	3.34%
Pupil Transportation	1,805,229	6.15%	1,513,842	5.53%	291,387	19.25%
Community Services	25,662	0.09%	16,686	0.06%	8,976	53.79%
Employee Benefits	8,000,787	27.25%	7,330,940	26.77%	669,847	9.14%
Debt Service - Interest	69,594	0.24%	8,471	0.03%	61,123	721.56%
Depreciation	738,868	2.52%	709,862	2.59%	29,006	4.09%
Capital Outlay	185,874	0.63%	62,218	0.23%	123,656	100.00%
School Lunch Program	136,905	0.47%	116,413	0.43%	20,492	17.60%
TOTAL EXPENSES	29,363,594	100.00%	27,384,244	100.00%	1,979,350	7.23%
CHANGE IN NET POSITION	$ (1,647,447)		$ (1,952,443)		$ 304,996	

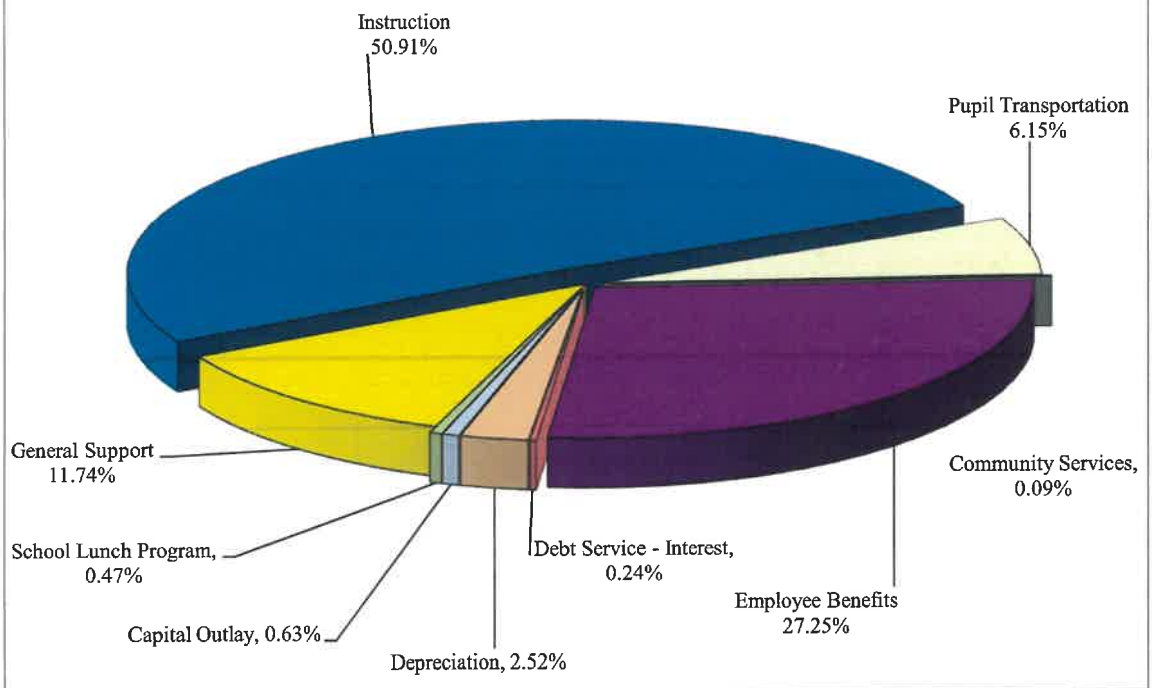
SOURCES OF REVENUES
FOR THE YEAR ENDED JUNE 30, 2023



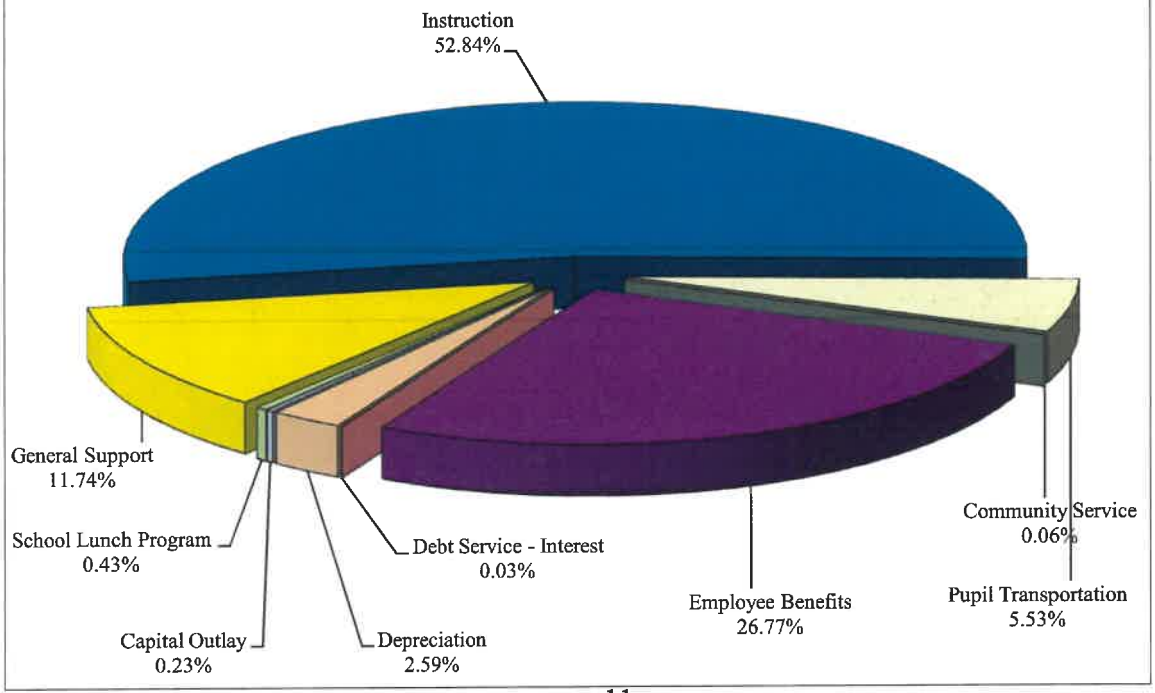
SOURCES OF REVENUES
FOR THE YEAR ENDED JUNE 30, 2022



EXPENSES FOR THE YEAR ENDED JUNE 30, 2023



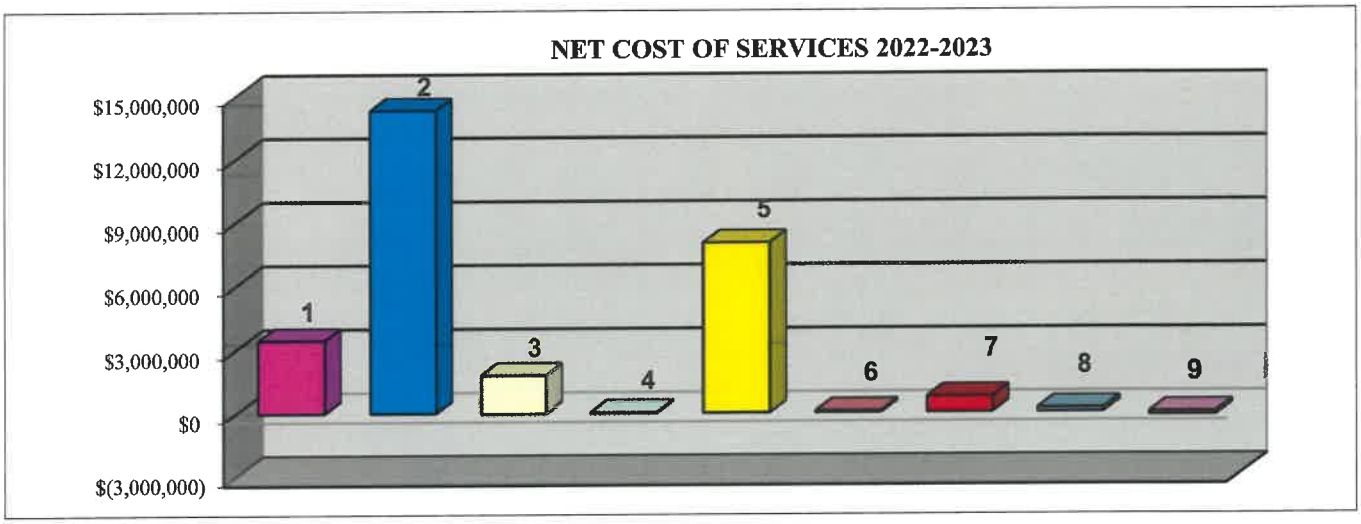
EXPENSES FOR THE YEAR ENDED JUNE 30, 2022

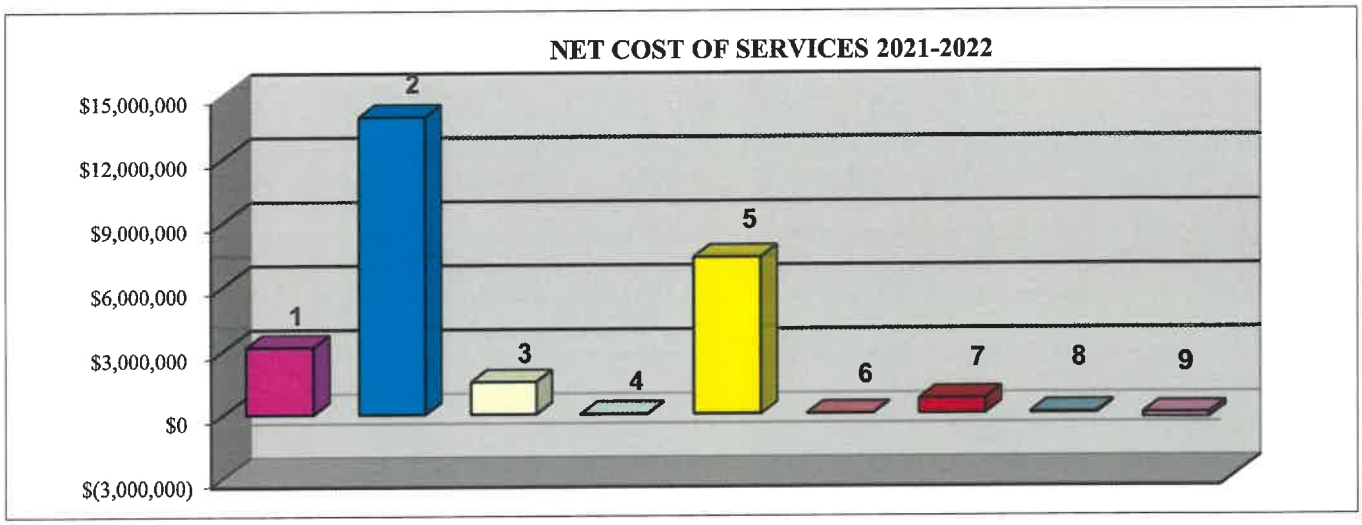


GREENWOOD LAKE UNION FREE SCHOOL DISTRICT
GREENWOOD LAKE, NEW YORK
SUMMARY OF NET COSTS

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

		TOTAL COST OF SERVICES 2022-2023	NET COST OF SERVICES 2022-2023	TOTAL COST OF SERVICES 2021-2022	NET COST OF SERVICES 2021-2022
General Support	1	$ 3,447,252	$ 3,447,252	$ 3,155,092	$ 3,155,092
Instruction	2	14,953,423	14,290,394	14,470,720	13,947,094
Pupil Transportation	3	1,805,229	1,805,229	1,513,842	1,513,842
Community Services	4	25,662	11,182	16,686	5,188
Employee Benefits	5	8,000,787	8,000,787	7,330,940	7,330,940
Debt Service - Interest	6	69,594	69,594	8,471	8,471
Depreciation	7	738,868	738,868	709,862	709,862
Capital Outlay	8	185,874	185,874	62,218	62,218
School Lunch Program	9	136,905	(157,031)	116,413	(212,663)
		$ 29,363,594	$ 28,392,149	$ 27,384,244	$ 26,520,044





Financial Analysis of the District's Funds

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

	June 30, 2023				
	Nonspendable	Restricted	Assigned	Unassigned	Total
General	$ 288,032	$ 11,132,526	$ 1,848,486	$ 2,477,415	$ 15,746,459
Special Aid	0	0	0	0	0
School Lunch	23,008	73,816	0	0	96,824
Miscellaneous Special Revenue	0	2,502	0	0	2,502
Capital Projects	0	1,612,073	0	0	1,612,073
Debt Service	0	421,369	0	0	421,369
	$ 311,040	$ 13,242,286	$ 1,848,486	$ 2,477,415	$ 17,879,227

	June 30, 2022				
	Nonspendable	Restricted	Assigned	Unassigned	Total
General	$ 250,612	$ 10,260,280	$ 2,462,911	$ 2,484,923	$ 15,458,726
Special Aid	0	18,781	0	0	18,781
School Lunch	14,348	82,375	0	0	96,723
Miscellaneous Special Revenue	0	2,295	0	0	2,295
Capital Projects	0	2,604,140	0	0	2,604,140
Debt Service	0	479,787	0	0	479,787
	$ 264,960	$ 13,447,658	$ 2,462,911	$ 2,484,923	$ 18,660,452

General Fund Budgetary Highlights

In the General Fund for the year ended June 30, 2023 actual revenues were more than final budgeted revenues by $1,559,852 (6.28%). This was primarily due to miscellaneous revenue which consisted of refunds of prior years' expenses being greater than expected by $871,297 as well as high cost aid reimbursement from Chester and Warwick. Actual expenditures and encumbrances were less than the final budgeted expenditures by $1,989,460 (7.62%). Costs within various budget codes were less than budgeted amounts, in particular the area of teaching regular schools was less than budgeted by $553,557, employee benefits were less than budgeted by $608,114, programs for children with handicapping conditions was less than budgeted by $205,777 and central services were less than budgeted by $160,354. Once again, the District kept fiscal restraints on purchases.

For fiscal year 2023-2024, the District has appropriated $1,743,781 of fund balance to reduce the tax levy.

General Fund Budgetary Highlights (Continued)

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

- New York State Aid revenues remain uncertain due to state wide budget constraints.
- New York State's Property Tax Cap Calculation.
- Employee benefits, such as health benefits, continue to rise.
- Teachers and employees retirement fluctuations

Management believes that the budget adopted for 2023-2024 is reasonably adaptable to any adverse changes that may arise based on the above factors.

Other Fund Highlights

The Special Aid Fund ended the year with a fund balance of $0. The revenues of this fund are expenditure driven meaning that the District receives funds based on the amount of expenditures for each grant. This year, a transfer was made from the General Fund to cover Summer Handicap costs in the amount of $2,501.

The School Lunch Fund ended the year with a fund balance of $96,824. The district continues to support the School Lunch Fund.

The Miscellaneous Special Revenue Fund ended the year with a fund balance of $2,502. Revenues exceeded expenditures by $207.

The Capital Projects Fund ended the year with a fund balance of $1,612,073. The District recorded revenue of $382,818 for Smart School Bond project and transferred $350,000 from General Fund appropriations to fund a portion of future middle school & elementary school projects. Capital expenditures for the year totaled $1,724,885.

Debt Service Fund ended the year with a fund balance $421,369. The District used $66,653 of funds to pay the interest cost of the District $2,055,000 bond payable in 2022/2023. This fund balance will be appropriated in future years to offset principal and interest payments.

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets, net of accumulated depreciation and amortization as of June 30, 2023 was $15,468,764. The increase in this net investment was $1,436,518 (10.24%) for the District as a whole (see schedule below). The District's investment in capital assets, net of accumulated depreciation and amortization as of June 30, 2022 was $14,032,246. The District expended $1,441,895 to acquire and construct capital assets during the fiscal year ended June 30, 2023. The District had retired assets with a cost of $111,164 and accumulated depreciation of $106,492. Depreciation expense for the current year was $738,868. Amortization expense for the current year was $63,347.

Capital Asset and Debt Administration (Continued)

Capital Assets (Continued)

CAPITAL ASSETS
Net of Accumulated Depreciation and Amortization

	School District Activities			
	June 30, 2023	June 30, 2022	$ Change	% Change
Non-Depreciable Assets:				
Land	$ 390,161	$ 390,161	$ 0	0.00%
Construction in Progress	2,324,819	1,102,408	1,222,411	110.89%
Depreciable Assets:				
Land Improvements	0	15	(15)	-100.00%
Building and Improvements	10,991,071	10,892,079	98,992	0.91%
Furniture and Equipment	724,774	535,230	189,544	35.41%
Vehicles	937,294	1,011,042	(73,748)	-7.29%
Amortizable Assets:				
Right of Use - Equipment	100,645	101,311	(666)	
TOTALS	$ 15,468,764	$ 14,032,246	$ 1,436,518	10.24%

Long-Term Debt

At the end of the fiscal year, the District had total long-term debt outstanding of $2,055,000. This amount is backed by the full faith and credit of the Greenwood Lake Union Free School District with debt service fully funded by voter approved property taxes. Activity in long-term debt outstanding during the fiscal year was as follows:

	Beginning Balance	Issued	Paid	Ending Balance
Installment Purchase Debt	$ 41,346	$ 0	$ 41,346	$ 0
Installment Purchase Debt	17,644	0	17,644	0
Installment Purchase Debt	53,197	0	53,197	0
Serial Bond 06/28/22	2,055,000	0	0	2,055,000
Total Long-Term Debt	$ 2,167,187	$ 0	$ 112,187	$ 2,055,000

Bond Ratings

Moody's Investors Service ("Moody's") has assigned a rating of Aa3 to outstanding uninsured bonds of the District. This rating reflects only the view of such rating agency and an explanation of the significance of such rating should be obtained from Moody's Investors Service. There can be no assurance that such rating will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any change or withdrawal of such rating may have an adverse effect on the market price of the Notes or the availability of a secondary market for the Notes.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ann Lierow, Assistant Superintendent of Business, at the District's business offices at P.O. Box 8, Greenwood Lake, New York 10925.

GREENWOOD LAKE UNION FREE SCHOOL DISTRICT
GREENWOOD LAKE, NEW YORK
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
JUNE 30, 2023

ASSETS	
Unrestricted Cash	$ 4,634,416
Restricted Cash	13,242,286
State & Federal Aid Receivable	1,352,801
Due from Other Governments	545,738
Other Receivables, Net	775
Prepaid Expenditures	288,032
Inventories	23,008
Right to Use Assets, Net	100,645
Non Depreciable Capital Assets	2,714,980
Depreciable Capital Assets, Net	12,653,139
TOTAL ASSETS	35,555,820
DEFERRED OUTFLOW OF RESOURCES	
Other Postemployment Benefits	6,964,272
Pensions	5,480,018
TOTAL DEFERRED OUTFLOWS OF RESOURCES	12,444,290
LIABILITIES	
Accounts Payable	1,107,577
Accrued Liabilities	61,431
Due to Other Governments	252
Due to Teachers' Retirement System	878,137
Due to Employees' Retirement System	92,847
Unearned Revenues	44,784
Long-term Liabilities:	
Due and Payable Within One Year:	
Bonds Payable	190,000
Compensated Absences	25,643
Lease Liability	8,494
Due and Payable In More Than One Year:	
Bonds Payable	1,865,000
Compensated Absences	203,852
Lease Liability	18,908
Net Pension Liability - Proportionate Share	2,484,097
Other Postemployment Benefits	39,654,600
TOTAL LIABILITIES	46,635,622
DEFERRED INFLOWS OF RESOURCES	
Other Postemployment Benefits	9,724,253
Pensions	625,813
TOTAL DEFERRED INFLOWS OF RESOURCES	10,350,066
NET POSITION	
Net Investment in Capital Assets	13,624,952
Restricted	13,242,286
Unrestricted (Deficit)	(35,852,816)
TOTAL NET POSITION	$ (8,985,578)

See notes to financial statement.

GREENWOOD LAKE UNION FREE SCHOOL DISTRICT
GREENWOOD LAKE, NEW YORK
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

FUNCTIONS & PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS	NET (EXPENSE) REVENUE & CHANGES IN NET POSITION
General Support	$ (4,704,935)	$ 0	$ 0	$ (4,704,935)
Instruction	(21,159,623)	49,060	613,969	(20,496,594)
Pupil Transportation	(2,803,445)	0	0	(2,803,445)
Community Services	(25,662)	14,480	0	(11,182)
Debt Service - Interest	(69,594)	0	0	(69,594)
Capital Outlay	(185,874)	0	0	(185,874)
School Lunch Program	(414,461)	145,791	148,145	(120,525)
TOTAL FUNCTIONS & PROGRAMS	$ (29,363,594)	$ 209,331	$ 762,114	(28,392,149)
GENERAL REVENUES				
Real Property Taxes				16,067,480
Other Tax Items				1,184,742
Use of Money & Property				704,264
Sale of Property & Compensation for Loss				11,671
Miscellaneous				871,297
State Sources				7,818,964
Federal Sources				86,284
TOTAL GENERAL REVENUES				26,744,702
CHANGE IN NET POSITION				(1,647,447)
NET POSITION, BEGINNING OF YEAR				(7,338,131)
NET POSITION, END OF YEAR				$ (8,985,578)

See Notes to Financial Statements.

GREENWOOD LAKE UNION FREE SCHOOL DISTRICT
GREENWOOD LAKE, NEW YORK
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	GENERAL	SPECIAL AID	SCHOOL LUNCH	MISCELLANEOUS SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
ASSETS							
Unrestricted Cash	$ 4,547,588	$ 74,472	$ 12,356	$ 0	$ 0	$ 0	$ 4,634,416
Restricted Cash	11,506,374	2,493	73,816	2,502	1,235,732	421,369	13,242,286
State & Federal Aid Receivable	441,521	460,400	9,319	0	441,561	0	1,352,801
Due from Other Governments	545,738	0	0	0	0	0	545,738
Due from Other Funds	506,780	0	0	0	0	0	506,780
Other Receivables	775	0	0	0	0	0	775
Prepaid Expenditures	288,032	0	0	0	0	0	288,032
Inventories	0	0	23,008	0	0	0	23,008
TOTAL ASSETS	$ 17,836,808	$ 537,365	$ 118,499	$ 2,502	$ 1,677,293	$ 421,369	$ 20,593,836
LIABILITIES & FUND BALANCES							
LIABILITIES							
Accounts Payable	$ 1,039,805	$ 2,638	$ 204	$ 0	$ 64,930	$ 0	$ 1,107,577
Accrued Liabilities	53,917	0	4,672	0	0	0	58,589
Due to Other Governments	0	0	252	0	0	0	252
Due to Other Funds	0	502,534	3,956	0	290	0	506,780
Due to Teachers' Retirement System	878,137	0	0	0	0	0	878,137
Due to Employees' Retirement System	92,847	0	0	0	0	0	92,847
Compensated Absences	25,643	0	0	0	0	0	25,643
Unearned Revenue	0	32,193	12,591	0	0	0	44,784
TOTAL LIABILITIES	2,090,349	537,365	21,675	0	65,220	0	2,714,609
FUND BALANCES (DEFICITS)							
Nonspendable	288,032	0	23,008	0	0	0	311,040
Restricted	11,132,526	0	73,816	2,502	1,612,073	421,369	13,242,286
Assigned	1,848,486	0	0	0	0	0	1,848,486
Unassigned	2,477,415	0	0	0	0	0	2,477,415
TOTAL FUND BALANCES (DEFICITS)	15,746,459	0	96,824	2,502	1,612,073	421,369	17,879,227
TOTAL LIABILITIES & FUND BALANCES (DEFICITS)	$ 17,836,808	$ 537,365	$ 118,499	$ 2,502	$ 1,677,293	$ 421,369	$ 20,593,836

See notes to financial statement.

SCHEDULE #4

GREENWOOD LAKE UNION FREE SCHOOL DISTRICT
GREENWOOD LAKE, NEW YORK
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

	TOTAL GOVERNMENTAL FUNDS	LONG-TERM ASSETS & LIABILITIES	RECLASSIFICATIONS & ELIMINATIONS	STATEMENT OF NET POSITION
ASSETS & DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Unrestricted Cash	$ 4,634,416	$ 0	$ 0	$ 4,634,416
Restricted Cash	13,242,286	0	0	13,242,286
State & Federal Aid Receivable	1,352,801	0	0	1,352,801
Due from Other Governments	545,738	0	0	545,738
Due from Other Funds	506,780	0	(506,780)	0
Other Receivables, Net	775	0	0	775
Prepaid Expenditures	288,032	0	0	288,032
Inventories	23,008	0	0	23,008
Net Pension Asset-Proportionate Share	0	0	0	0
Right to Use Assets, Net	0	100,645	0	100,645
Non Depreciable Capital Assets	0	2,714,980	0	2,714,980
Depreciable Capital Assets, Net	0	12,653,139	0	12,653,139
TOTAL ASSETS	20,593,836	15,468,764	(506,780)	35,555,820
DEFERRED OUTFLOW OF RESOURCES				
Other Post-Employment Benefits	0	6,964,272	0	6,964,272
Pensions	0	5,480,018	0	5,480,018
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	$ 20,593,836	$ 27,913,054	$ (506,780)	$ 48,000,110
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES / NET POSITION				
LIABILITIES				
Accounts Payable	$ 1,107,577	$ 0	$ 0	$ 1,107,577
Accrued Liabilities	58,589	2,842	0	61,431
Bonds Payable	0	2,055,000	0	2,055,000
Due to Teachers' Retirement System	878,137	0	0	878,137
Due to Employees' Retirement System	92,847	0	0	92,847
Due to Other Funds	506,780	0	(506,780)	0
Due to Other Governments	252	0	0	252
Compensated Absences	25,643	203,852	0	229,495
Unearned Revenues	44,784	0	0	44,784
Lease Liability	0	27,402	0	27,402
Other Postemployment Benefits	0	39,654,600	0	39,654,600
TOTAL LIABILITIES	2,714,609	44,427,793	(506,780)	46,635,622
DEFERRED INFLOWS OF RESOURCES				
Other Post-Employment Benefits	0	9,724,253	0	9,724,253
Pensions	0	625,813	0	625,813
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	2,714,609	54,777,859	(506,780)	56,985,688
FUND BALANCES / NET POSITION	17,879,227	(26,864,805)	0	(8,985,578)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES / NET POSITION	$ 20,593,836	$ 27,913,054	$ (506,780)	$ 48,000,110

See notes to financial statement.

GREENWOOD LAKE UNION FREE SCHOOL DISTRICT
GREENWOOD LAKE, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	GENERAL	SPECIAL AID	SCHOOL LUNCH	MISCELLANEOUS SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
REVENUES							
Real Property Taxes	$ 16,067,480	$ 0	$ 0	$ 0	$ 0	$ 0	$ 16,067,480
Other Tax Items	1,184,742	0	0	0	0	0	1,184,742
Charges	49,060	0	0	0	0	0	49,060
Use of Money & Property	696,029	0	0	0	0	8,235	704,264
Sale of Property & Compensation for Loss	16,382	0	0	0	0	0	16,382
Miscellaneous	871,297	0	0	0	0	0	871,297
State Sources	7,436,146	90,580	3,953	0	382,818	0	7,913,497
Federal Sources	86,284	523,389	144,192	0	0	0	753,865
Sales	0	0	145,791	14,480	0	0	160,271
TOTAL REVENUES	26,407,420	613,969	293,936	14,480	382,818	8,235	27,720,858
EXPENDITURES							
General Support	3,232,451	43,932	192,212	0	0	0	3,468,595
Instruction	14,375,340	496,976	0	0	0	0	14,872,316
Pupil Transportation	1,769,228	36,001	0	0	0	0	1,805,229
Community Services	11,389	0	0	14,273	0	0	25,662
Employee Benefits	5,509,908	55,001	70,567	0	0	0	5,635,476
Debt Service:							
Principal	121,773	0	0	0	0	0	121,773
Interest	2,837	0	0	0	0	66,653	69,490
Cost of Sales	0	0	136,905	0	0	0	136,905
Capital Outlay	634,801	3,341	3,610	0	1,724,885	0	2,366,637
TOTAL EXPENDITURES	25,657,727	635,251	403,294	14,273	1,724,885	66,653	28,502,083
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	749,693	(21,282)	(109,358)	207	(1,342,067)	(58,418)	(781,225)
OTHER SOURCES & USES							
Operating Transfers In	0	2,501	109,459	0	350,000	0	461,960
Operating Transfers (Out)	(461,960)	0	0	0	0	0	(461,960)
TOTAL OTHER SOURCES & USES	(461,960)	2,501	109,459	0	350,000	0	0
NET CHANGE IN FUND BALANCES	287,733	(18,781)	101	207	(992,067)	(58,418)	(781,225)
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	15,458,726	18,781	96,723	2,295	2,604,140	479,787	18,660,452
FUND BALANCES (DEFICITS), END OF YEAR	$ 15,746,459	$ 0	$ 96,824	$ 2,502	$ 1,612,073	$ 421,369	$ 17,879,227

See notes to financial statement.

GREENWOOD LAKE UNION FREE SCHOOL DISTRICT
GREENWOOD LAKE, NEW YORK
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	TOTAL GOVERNMENTAL FUNDS	LONG-TERM REVENUE & EXPENSES	CAPITAL RELATED ITEMS	LONG-TERM DEBT TRANSACTIONS	RECLASSIFICATIONS & ELIMINATIONS	STATEMENT OF ACTIVITIES
REVENUES						
Real Property Taxes	$ 16,067,480	$ 0	$ 0	$ 0	$ 0	$ 16,067,480
Other Tax Items	1,184,742	0	0	0	0	1,184,742
Charges for Services	49,060	0	0	0	0	49,060
Use of Money & Property	704,264	0	0	0	0	704,264
Sale of Property & Compensation for Loss	16,382	0	(4,711)	0	0	11,671
Miscellaneous	871,297	0	0	0	0	871,297
State Sources	7,913,497	0	0	0	0	7,913,497
Federal Sources	753,865	0	0	0	0	753,865
Sales	160,271	0	0	0	0	160,271
TOTAL REVENUES	27,720,858	0	(4,711)	0	0	27,716,147
EXPENDITURES						
General Support	3,468,595	0	126,431	0	1,109,909	4,704,935
Instruction	14,872,316	31,696	344,958	0	5,910,653	21,159,623
Pupil Transportation	1,805,229	0	280,770	0	717,446	2,803,445
Community Services	25,662	0	0	0	0	25,662
Employee Benefits	5,635,476	2,365,311	0	0	(8,000,787)	0
Debt Service:						
Principal	121,773	0	0	(121,773)	0	0
Interest	69,490	104	0	0	0	69,594
Cost of Sales	136,905	0	14,777	0	262,779	414,461
Capital Outlay	2,366,637	0	(2,180,763)	0	0	185,874
TOTAL EXPENDITURES	28,502,083	2,397,111	(1,413,827)	(121,773)	0	29,363,594
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	(781,225)	(2,397,111)	1,409,116	121,773	0	(1,647,447)
OTHER SOURCES & USES						
Operating Transfers In	461,960	0	0	0	(461,960)	0
Operating Transfers (Out)	(461,960)	0	0	0	461,960	0
TOTAL OTHER SOURCES & USES	0	0	0	0	0	0
NET CHANGE FOR THE YEAR	$ (781,225)	$ (2,397,111)	$ 1,409,116	$ 121,773	$ 0	$ (1,647,447)

See notes to financial statement.

GREENWOOD LAKE UNION FREE SCHOOL DISTRICT
GREENWOOD LAKE, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023

	PRIVATE PURPOSE TRUST
ASSETS	
Cash	$ 3,484
TOTAL ASSETS	$ 3,484
LIABILITIES & NET POSITION	
LIABILITIES	$ 0
NET POSITION	
Restricted for Scholarships	3,484
TOTAL LIABILTIES & NET POSITION	$ 3,484

See notes to financial statement.

SCHEDULE #8

GREENWOOD LAKE UNION FREE SCHOOL DISTRICT
GREENWOOD LAKE, NEW YORK
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	PRIVATE PURPOSE TRUST	CUSTODIAL FUND
ADDITIONS		
Funds Received for the Library Tax Levy	$ 0	$ 864,389
Donations Received	1,300	0
Investment Earnings	58	0
TOTAL ADDITIONS	1,358	864,389
DEDUCTIONS		
Funds Paid for the Library Tax Levy	0	864,389
Scholarships & Awards	1,300	0
TOTAL DEDUCTIONS	1,300	864,389
CHANGE IN NET POSITION	58	0
NET POSITION, BEGINNING OF YEAR	3,426	0
NET POSITION, END OF YEAR	$ 3,484	$ 0

See notes to financial statement.

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES.

The financial statements of the Greenwood Lake Union Free School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies utilized by the District are described below:

A. Reporting Entity

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

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

1. Extraclassroom Activity Funds

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

B. Joint Venture

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

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

B. Joint Venture (Continued)

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

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

During the year ended June 30, 2023, Greenwood Lake Union Free School District was billed $3,019,994 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $517,431. Financial statements for BOCES are available from the BOCES administrative office at 53 Gibson Road, Goshen, New York 10924.

C. Basis of Presentation

1. District-Wide Statements

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

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

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

C. Basis of Presentation (Continued)

2. Funds Statements

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

The District reports the following major governmental funds:

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

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

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

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

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

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

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

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

The District reports the following fiduciary funds:

Private Purpose Trust Funds: These funds are used to account for trust arrangements in which principal and income benefits annual third-party awards and scholarships for students. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.

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

C. Basis of Presentation (Continued)

2. Funds Statements (Continued)

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

D. Measurement Focus and Basis of Accounting

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

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

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

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

E. Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1st and became a lien on August 26, 2022. Taxes were collected by the Town of Warwick during the period September 1, 2022 through November 1, 2022.

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

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

F. Restricted Resources

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

G. Interfund Transactions

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

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

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

Refer to Note 10 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

H. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

I. Cash and Investments

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

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

I. Cash and Investments (Continued)

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

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of United States and its agencies and obligations of the State and its municipalities and Districts.

J. Accounts Receivable

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

K. Inventories and Prepaid Items

Inventories of food in the School Lunch Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value 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 District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the district-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed. There were $288,032 in prepaid items at June 30, 2023.

L. Other Assets/Restricted Assets

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

M. Capital Assets

Capital assets are reported at cost for acquisitions. For assets acquired prior to June 30, 2002, estimated historical costs based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received. Land and construction-in-progress are not depreciated. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the district-wide statements are as follows:

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

M. Capital Assets (Continued)

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

N. Right to Use Assets

A right of use asset is a lessee's right to use an asset over the life of the lease. Right to Use Assets are reported at present value.

O. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualifies for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. For additional information on these deferred outflows related to pensions, see Note 9. The second deferred outflow is related to other postemployment benefits reported in the district-wide Statement of Net Position. For additional information on these deferred outflows related to other postemployment benefits, see Note 11.

In addition to liabilities, the district will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The District reports a deferred inflow of resources in the Statement of Net Position related to pensions reported in the district-wide statements. For additional information on deferred inflows related to pensions, see Note 9. The District also reports deferred inflows of resources in the Statement of Net Position related to other postemployment benefits reported in the district-wide statements. For additional information on deferred inflows related to other postemployment benefits, see Note 11.

P. Unearned Revenue

The District reports unearned revenues on its Statement of Net Position and its Balance Sheet. On the Statement of Net Position, unearned revenues arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In subsequent periods, when the District has legal claim to resources, the liability for unearned revenue is removed and revenue is recognized.

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

P. Unearned Revenue (Continued)

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

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

Q. Vested Employee Benefits

1. Compensated Absences

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

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

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

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

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

2. Other Benefits

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

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

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

Q. Vested Employee Benefits (Continued)

2. Other Benefits (Continued)

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provisions of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

R. Short-Term Debt

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

The District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any 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 year succeeding the year in which the note was issued.

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

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

S. Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities and long-term obligations are reported in the district-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, other postemployment benefits payable, 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.

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

S. Accrued Liabilities and Long-Term Obligations (Continued)

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

T. Equity Classifications

1. District-wide Statements

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

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

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

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

2. Funds Statements

In the fund statements there are five classifications fund balances:

Nonspendable: Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Nonspendable fund balance includes inventory in the School Lunch Fund of 23,008 and prepaid expenditures in the General Fund of $288,032.

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

Capital Reserve

Capital Reserve (Education Law §3651) is used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term and the source of the funds. Expenditure may be made from the reserve only for a specific purpose further authorized by the voters.

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

T. Equity Classifications (Continued)

2. Funds Statements (Continued)

Capital Reserve (Continued)

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.

Repair Reserve

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

Tax Certiorari Reserve

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

Unemployment Insurance Reserve

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

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

T. Equity Classifications (Continued)

2. Funds Statements (Continued)

Insurance Reserve

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.

Employee Benefit Accrued Liability Reserve

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

Retirement Contribution Reserve

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

Retirement Contribution Reserve – TRS Sub Fund

According to amendments to General Municipal Law §6-r, this reserve must be used to finance retirement contributions to the New York State Teachers Retirement System ("TRS") and/or offset all or some of the amount deducted from the moneys apportioned to the District from the state under Education Law §521. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. This reserve is accounted for in the General Fund. The amount of moneys contributed to the TRS Sub-fund annually cannot exceed 2% of the total salaries of all teachers employed by the District paid during the previous fiscal year. In addition, the total balance of the TRS Sub-fund cannot exceed 10% of the total salaries of all teachers employed by the District paid during the previous fiscal year.

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

T. Equity Classifications (Continued)

2. Funds Statements (Continued)

Restricted fund balance at June 30, 2023 consisted of:

General Fund:		
Capital Reserve	$ 7,242,159	
Repair Reserve	487,663	
Unemployment Insurance Reserve	140,500	
Insurance Reserve	1,079,234	
Tax Certiorari Reserve	670,815	
Employee Benefit Accrued Liability Reserve	512,230	
Retirement Contribution Reserve	460,874	
Retirement Contribution Reserve - TRS Sub Fund	539,050	
General Fund Total		$ 11,132,525
School Lunch Fund		73,816
Miscellaneous Special Revenue Fund		2,502
Capital Fund		1,612,073
Debt Service Fund		421,370
Total Restricted Fund Balance		$ 13,242,286

Committed: Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Education. The District did not classify any of its fund balances as committed as of June 30, 2023.

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

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

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

T. Equity Classifications (Continued)

2. Funds Statements (Continued)

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

Limitation on Unexpended Surplus Funds:

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds the District can retain to no more than 4% of the District's General Fund budget for the ensuing fiscal year. Non-spendable 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.

U. New Accounting Standards

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

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

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

U. New Accounting Standards (Continued)

GASB has issued Statement 96, Subscription-Based Information Technology Arrangements, which will improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. The District has implemented Statement 96, as required.

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

GASB has issued Statement 99, *Omnibus 2022*, the objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The District has implemented Statement 99, as required.

V. Future Changes in Accounting Standards.

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

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

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

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

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

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets.

1. The costs of building and acquiring capital assets (land, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, with their original costs capitalized and depreciation expensed annually over their useful lives. The balances at June 30, 2023 were as follows:

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

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

Original Cost of Capital Assets	$ 25,699,485
Accumulated Depreciation	(10,331,366)
	$ 15,368,119

2. The present value of right to use assets (equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those right to use assets among the assets of the Library as a whole, with their present value capitalized and amortization expensed annually over their useful lives. The balances at June 30, 2023 are as follows:

Original Cost of Right to Use Assets	$ 348,273
Accumulated Amortization	(247,628)
	$ 100,645

3. In the Statement of Net Position, a liability is recognized for the District's proportionate share of the net pension liability attributable to each defined benefit pension plan in which the District participates. A net pension liability is measured as the proportionate share of the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service (proportionate share of total pension liability), net of the proportionate share of that pension plan's fiduciary net position. If a pension plan's fiduciary net position exceeds its total pension liability, the District's proportionate share of the pension plan's net pension asset is recognized. Also, deferred outflows and inflows of resources related to pensions primarily result from contributions subsequent to the measurement date, as well as changes in the components of the net pension liability or asset. However, none of these amounts are included on the Balance Sheet as they are only recognized to the extent the pension liability is normally expected to be liquidated with expendable available financial resources. These balances at June 30, 2023 were as follows:

Deferred Outflows of Resources-Pensions	$ 5,480,018
Net Pension Liability - Proportionate Share	(2,484,097)
Deferred Inflows of Resources-Pensions	(625,813)
	$ 2,370,108

4. Interest is accrued in the Statement of Net Position, regardless of when it is due. This liability does not appear on the Balance Sheet because interest is expended when it is due, and thus requires the use of current financial resources. The liability at June 30, 2023 was as follows:

Accrued Interest	$ 2,842

5. Long-term liabilities and related deferred inflows and outflows are reported in the Statement of Net Position, but not in the Balance Sheet, because the liabilities are not due and payable in the current period. The balances at June 30, 2023 were as follows:

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

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

Bonds Payable	$ 2,055,000
Lease Liability	27,402
Compensated Absences	229,495
Deferred Outflow of Resources - OPEB	(6,964,272)
Other Postemployment Benefits	39,654,600
Deferred Inflow of Resources - OPEB	9,724,253
	$ 44,726,478

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

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

1. Long-Term Revenue Differences

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

2. Capital Related Differences

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

3. Long-Term Debt Transaction Differences

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

4. Pension Plan Transaction Differences

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

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

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

5. Other Postemployment Benefit (OPEB) Related Differences

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

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

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

Total Revenues and Other Funding Sources

Total revenues reported in governmental funds (Schedule 5)	$ 27,720,858
Loss from disposition of assets costing $152,880, with accumulated depreciation of $148,169.	(4,711)
Total revenues in the Statement of Activities (Schedule 2)	$ 27,716,147

Total Expenditures & Other Uses/Expenses

Total expenditures reported in governmental funds (Schedule 5)	$ 28,502,083
When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital expenditures of $2,180,763 was more than depreciation of $738,868.	(1,441,895)
When the lease of right to use assets are financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are paid for. However, in the Statement of Activities, the present value of those assets is capitalized and the expense is allocated over the period of use and reported as amortization expense. This is the amount by which amortization of $63,347 was more than the present value of right to use assets of $35,279 purchased in the current year.	28,068
In the Statement of Activities, certain operating expenses (compensated absences) are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are measured to the extent they have matured (essentially, the amounts actually paid).This is the amount by which compensated absences paid or accrued exceeded the amount incurred during the year.	31,696

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

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

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

Total Expenditures & Other Uses (Continued)

In the Statement of Activities, the expense for other postemployment benefits (OPEB) includes changes in the OPEB liability such as service cost, interest cost and change in benefit terms, as well as amortization of deferred outflows of resources and deferred inflows of resources related to OPEB. In the governmental funds, however, OPEB expenditures are measured by the amount of financial resources used (essentially the amounts actually paid). This is the amount by which the OPEB expense in the Statement of Activities exceeded the amount of financial resources used during the year.	1,782,524
Interest payable is recognized as an accrued liability in the entity wide statements under full accrual accounting whereas it is not under the governmental fund statements. This is the amount by which interest payable last year exceeds the interest payable this year.	104
In the Statement of Activities and Changes in Net Position, pension expense related to ERS and TRS defined benefit pension plans is measured as the change in the District's proportionate shares of the net pension assets and liabilities as of the measurement dates for each plan. In the governmental funds however, these expenditures are recognized equal to the total of (1) amounts paid by the employer to the pension plan and (2) the change between the beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources. This is the amount by which pension expense was exceeded by the amount of financial resources expended during the year.	582,787
Payment of lease principal is an expenditure in the governmental funds, but reduces liabilities in the Statement of Net Position, and does affect the Statement of Activities.	(9,593)
Repayment of bond and installment debt principal is an expenditure in the governmental funds when it is due and paid, but reduces liabilities in the Statement of Net Position, and does not affect the Statement of Activities.	(112,180)
Total expenses in the Statement of Activities (Schedule 2)	$ 29,363,594

NOTE 3. STEWARDSHIP AND COMPLIANCE.

A. Budgets

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

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

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. Supplemental appropriations that occurred during the fiscal year are shown on Supplemental Schedule #5.

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

The General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2023.

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

B. Encumbrances

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

NOTE 3. STEWARDSHIP AND COMPLIANCE. (Continued)

C. Other Stewardship and Compliance Matters

The District's fund balance subject to New York State Real Property Tax Law §1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year, was in excess of the 4% limitation. The District plans to review health and safety issues within the District and make budgetary adjustments where necessary to address this issue.

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

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

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

Uncollateralized	$ 0
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District's name	$ 18,308,766

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes $13,242,286 within the governmental funds.

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

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

Total investments in the NYClass cooperative as of year-end are $8,463,692,945, which consisted of $2,530,081,947 in repurchase agreements, $3,907,187,600 in U.S. Treasury Bills, $965,776,728 in U.S. Treasury Securities, and $1,060,646,670 in collateralized bank deposits, with various interest rates and due dates.

NOTE 5. CAPITAL ASSETS.

Capital asset balances and activity for the year ended June 30, 2023 were as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 390,161	$ 0	$ 0	$ 390,161
Construction in Progress	1,102,408	1,724,885	(502,474)	2,324,819
Total Non - depreciable Assets	1,492,569	1,724,885	(502,474)	2,714,980
Capital assets that are depreciated:				
Land Improvements	16,296	0	(16,296)	0
Buildings and Improvements	18,674,568	0	502,474	19,177,042
Furniture & Equipment	922,043	275,167	(25,421)	1,171,789
Vehicles	2,566,126	180,711	(111,163)	2,635,674
Total Depreciable Assets	22,179,033	455,878	349,594	22,984,505
Less: Accumulated Depreciation	(9,740,667)	(738,868)	148,169	(10,331,366)
Capital Assets, Net	$ 13,930,935	$ 1,441,895	$ (4,711)	$ 15,368,119

Depreciation expense was charged to governmental functions as follows:

General Support	$ 147,774
Instruction	295,547
Transportation	280,770
Cost of Sales	14,777
Total Depreciation	$ 738,868

NOTE 6. RIGHT TO USE ASSETS.

Right to use asset balances and activity for the year ended June 30, 2023, were as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Right to use assets that are amortized:				
Furniture & Equipment	$ 285,592	$ 35,279	$ 0	$ 320,871
Building	28,009	27,402	(28,009)	27,402
Total Assets	313,601	62,681	(28,009)	348,273
Accumulated Amortization:				
Furniture & Equipment	(212,290)	(63,347)	28,009	(247,628)
Right to Use Assets, Net	$ 101,311	$ (666)	$ 0	$ 100,645

Amortization expense was charged to governmental functions as follows:

General Support	$ 13,936
Instruction	49,411
Total Amortization	$ 63,347

NOTE 7. LONG-TERM LIABILITIES.

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

	Beginning Balance	Issued	Paid/ Redeemed	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
Bonds Payable	$ 2,055,000	$ 0	$ 0	$ 2,055,000	$ 190,000
Installment Purchase Debt	112,187	0	112,187	0	0
Total Bonds and Notes Payable	2,167,187	0	112,187	2,055,000	190,000
Other Liabilities:					
Compensated Absences	175,307	54,188	0	229,495	25,643
Leases Payable	9,593	27,402	9,593	27,402	8,494
Other Postemployment Benefits	47,601,278	(6,872,237)	1,074,441	39,654,600	0
Net Pension Liability Proportionate Share	0	2,484,097	0	2,484,097	0
Total Other Liabilities	47,786,178	(4,306,550)	1,084,034	42,395,594	34,137
Total Long-Term Liabilities	$ 49,953,365	$ (4,306,550)	$ 1,196,221	$ 44,450,594	$ 224,137

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

Existing serial bond and installment purchase obligations are as follows:

Description of Issue	Issue Year	Final Maturity	Interest Rate	Balance
Serial Bond	2022	2037	3.39%	$ 2,055,000
				$ 2,055,000

NOTE 7. LONG-TERM LIABILITIES. (Continued)

The following is a summary of maturing debt service requirements:

For the Year Ended June 30,	Principal	Interest
2024	$ 190,000	$ 69,150
2025	155,000	63,450
2026	155,000	58,800
2027	160,000	54,150
2028	155,000	49,350
2029 - 2038	1,240,000	210,700
TOTAL	$ 2,055,000	$ 505,600

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

Interest paid	$ 69,490
Less: Interest accrued in the prior year	(2,738)
Plus: Interest accrued in the current year	2,842
Total interest expense	$ 69,594

NOTE 8. LEASES.

Lease agreements are summarized as follows:

Description	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance June 30, 2023
Village of Greenwood Lake - Bus Garage	7/1/2020	36 months	$ 813	3.00%	$ 28,009	$ -
Village of Greenwood Lake - Bus Garage renewed	7/1/2023	36 months	$ 813	3.78%	$ 27,402	$ 27,402
						$ 27,402

The District renewed the lease for a bus maintenance facility from the Village of Greenwood Lake, beginning for a term of three years. The interest rate on the lease was 3.78%. Annual requirements to amortize long-term obligations and related interest are as follows:

	Leases Payable	
For the Year Ended June 30,	Principal	Interest
2024	$ 8,794	$ 956
2025	9,093	657
2026	9,515	235
TOTAL	$ 27,402	$ 1,848

NOTE 9. PENSION PLANS.

Employees' Retirement System Plan Description

The District participates in the New York State and Local Employees' Retirement System (ERS). ERS and the New York State and Local Police and Fire Retirement System (PFRS) are collectively referred to as New York State and Local Retirement System (the ERS System). These are cost-sharing multiple-employer defined benefit retirement systems. The net position of the ERS System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all assets and record changes in fiduciary net position allocated to the ERS System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November, 2022, he was elected for a new term commencing January 1, 2023. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. Separately issued financial statements for the System can be accessed on the Comptroller's website at www.osc.state.ny.us/retire/about_us/financial_statements_index.php.

Teachers' Retirement System Plan Description

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

ERS Benefits Provided

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

Tiers 1 and 2

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

NOTE 9. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

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

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

Tiers 3, 4, and 5

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

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

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

Tier 6

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

NOTE 9. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

Tier 6 (Continued)

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

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

Special Plans

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

Disability Retirement Benefits

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

Ordinary Death Benefits

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

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for 10 years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years; and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria.

NOTE 9. PENSION PLANS. (Continued)

ERS Benefits Provided (Continued)

Post-Retirement Benefit Increases (Continued)

This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed $18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or exceed 3 percent.

TRS Benefits Provided

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

Tier 1

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

Tier 2

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

Tier 3

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

Tier 4

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

Tier 5

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

Tier 6

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

NOTE 9. PENSION PLANS. (Continued)

TRS Benefits Provided (Continued)

Service Retirements

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

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

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

Tier 5 members are generally eligible for a service retirement benefit of 1.67% per year of credited service times FAS for less than 25 years of service, 2% per year for 25 - 30 years of service, and 60% of FAS plus 1.5% per year for service beyond 30 years. Tier 5 members may retire as early as age 55 with 5 years of service credit. An age factor applies to Tier 5 members who retire before age 57 or retire between age 57 and 62 with less than 30 years of service.

Tier 6 members are generally eligible for a service retirement benefit of 1.67% per year of credited service times FAS for less than 20 years of service, 1.75% per year for 20 years of service, and 35% of FAS plus 2% per year for service beyond 20 years. Tier 6 members may retire as early as age 55 with 5 years of state service credit. An age factor applies for Tier 6 members who retire before age 63. In addition, vested Tier 6 members with an inactive membership must be at least 63 to retire.

Vested Benefits

Retirement benefits for Tiers 1-6 are vested after five years of credited service. Prior to April 9, 2022, Tier 5-6 members needed to attain 10 years of state service credited to be vested. Benefits are payable at age 55 or greater with the limitations noted for service retirement above.

Disability Retirement

Members are eligible for disability retirement benefits after 10 years of credited New York State service except for Tier 3 where disability retirement is permissible after 5 years of credited New York State service pursuant to the provisions of Article 14 of the RSSL. The Tier 3 benefit is integrated with Social Security.

NOTE 9. PENSION PLANS. (Continued)

TRS Benefits Provided (Continued)
Death Benefits

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

Prior and Military Service

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

Tier Reinstatement

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

Permanent Cost of Living Adjustment (COLA)

Section 532-a of the Education Law provides a permanent cost-of-living benefit to both current and future retired members. This benefit will be paid commencing September of each year to retired members who have attained age 62 and have been retired for 5 years or attained age 55 and have been retired for 10 years. Disability retirees must have been retired for 5 years, regardless of age, to be eligible. The annual COLA percentage is equal to 50% of the increase in the Consumer Price Index (CPI) not to exceed 3% nor be lower than 1%. It is applied to the first eighteen thousand dollars of the maximum annual benefit. The applicable percentage payable beginning September 2022 is 3.0%.

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

Contributions

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS tier 6 vary based on a sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year and each of the two preceding years. These contributions were as follows:

NOTE 9. PENSION PLANS. (Continued)

Contributions (Continued)

Year	NYSERS	NYSTRS
2022 - 2023	$ 285,989	$ 759,412
2021 - 2022	308,828	790,959
2020 - 2021	279,235	677,860

The District chose to prepay the required contributions to ERS by December 15th each year and received a discount.

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

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

At June 30, 2023, the District reported the following asset/(liability) for its proportionate share of the net pension asset /(liability) for each of the Systems. The net pension asset/(liability) was measured as of June 30, 2022 for TRS and March 31, 2023 for ERS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the TRS and ERS Systems in reports provided to the District.

	ERS	TRS
Actuarial Valuation Date	March 31, 2023	June 30, 2022
Net pension asset/(liability)	$ (1,673,011)	$ (811,086)
District's portion of the Plan's total net pension asset/(liability)	0.007802%	0.042268%

At March 31, 2023, the District's proportion of the ERS net pension liability/(asset) was 0.0078018%, which was an increase of .000974% from its proportion measured as March 31, 2022.

At June 30, 2022, the District's proportion of the TRS net pension liability/(asset) was 0.042268%, which was an increase of .0012110% from its proportion measured as June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense of $632,281 for ERS and $975,676 for TRS. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 9. PENSION PLANS. (Continued)

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

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	ERS	TRS	Total	ERS	TRS	Total
Differences between expected and actual experience	$ 178,189	$ 849,915	1,028,104.00	$ 46,984	$ 16,253	$ 63,237
Changes of Assumptions	812,522	1,573,369	2,385,891.00	8,980	326,728	335,708
Net difference between projected and actual earnings on pension plan investments	0	1,048,000	1,048,000.00	9,829	0	9,829
Changes in proportion and difference between the District's contributions and proportionate share of contributions	147,464	5,092	152,556.00	1,117	215,922	217,039
District's contributions subsequent to the measurement date	92,847	772,620	865,467	0	0	0
Total	$ 1,231,022	$ 4,248,996	$ 5,480,018	$ 66,910	$ 558,903	$ 625,813

District contributions subsequent to the measurement date will be recognized as a reduction of the pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended:	ERS	TRS
2023	$ -	$ (551,263)
2024	(265,185)	(260,846)
2025	44,642	181,816
2026	(380,246)	(2,033,775)
2027	(470,474)	(247,854)
Thereafter	0	(5,550)

NOTE 9. PENSION PLANS. (Continued)

Actuarial Assumptions

The total ERS pension liability at March 31, 2023 was determined by using an actuarial valuation as of April 1, 2022, with update procedures used to roll forward the total pension liability to March 31, 2023. The total TRS pension liability at June 30, 2022 was determined by using an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. These actuarial valuations used the following actuarial assumptions.

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Inflation Rate	2.9%	2.40%
Projected Salary Increases	4.4%	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.
Projected Cost of Living Adjustments	1.5%	1.3% Compounded annually
Investment Rate of Return, Including Inflation	5.90% compounded annually, net of investment expenses, including inflation	6.95% compounded annually, net of pension plan investment expense, including inflation
Decrement Tables	April 1, 2015 - March 31, 2020 System's Experience	July 1, 2015 - June 30, 2020 System's Experience
Mortality Improvement	Society of Actuaries Scale MP-2021	Society of Actuaries Scale MP-2021

Service	Rate
5	5.18%
15	3.64%
25	2.50%
35	1.95%

The long-term 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 returns net of investment expense 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 each the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

NOTE 9. PENSION PLANS. (Continued)

Actuarial Assumptions (Continued)

The Long Term Expected Rates of Return are presented by asset allocation classification, which differs from the financial statement presentation. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of the measurement date of June 30, 2022 for TRS and March 31, 2023 for ERS are summarized in the following table:

	ERS			TRS	
Measurement Date	March 31, 2023		Measurement Date	June 30, 2022	
	Target Allocation	Long-term expected real rate of return		Target Allocation	Long-term expected real rate of return*
Asset Class:			Asset Class:		
Domestic Equity	32%	4.30%	Domestic Equities	33%	6.50%
International Equity	15%	6.85%	International Equities	16%	7.20%
Private Equity	10%	7.50%	Global Equities	4%	6.90%
Real Estate	9%	4.60%	Real Estate Equities	11%	6.20%
Opportunistic/ARC Portfolio	3%	5.38%	Private Equities	8%	9.90%
Credit	4%	5.43%	Domestic Fixed Income Securities	16%	1.10%
Real Assets	3%	5.84%	Global Bonds	2%	0.60%
Fixed Income	23%	1.50%	Private Debt	2%	5.30%
Cash	1%	0.00%	Real Estate Debt	6%	2.40%
			High-Yield Bonds	1%	3.30%
Total	100%		Cash Equivalents	1%	-0.30%
				100%	

The real rate of return is net of the long-term inflation assumption of 2.50%.

(1) Excludes equity-oriented and long-only funds. For investment management purposes, these funds are included in domestic equity and international equity, respectively.

* Real rates of return are net of a long-term inflation assumption of 2.4%

NOTE 9. PENSION PLANS. (Continued)

Discount Rate

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

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

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

ERS	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
Employer's Proportionate Share of the Net Pension Asset/(Liability)	$ (4,042,949)	$ (1,673,011)	$ 307,349

TRS	1% Decrease 5.95%	Current Assumption 6.95%	1% Increase 7.95%
Employer's Proportionate Share of the Net Pension Asset/(Liability)	$ (7,478,590)	$ (811,086)	$ 4,796,241

NOTE 9. PENSION PLANS. (Continued)

Pension Plan Fiduciary Net Position

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

	(Dollars in Thousands)	
	ERS	TRS
Measurement Date	March 31, 2023	June 30, 2022
Employers' total pension liability	$ (232,627,259)	$ (133,883,473,797)
Plan net position	(211,183,223)	(131,964,582,107)
Employer's net pension liability	$ (21,444,036)	$ (1,918,891,690)
Ratio of plan net position to the employers' total pension liability	90.8%	98.6%

For ERS, employer contributions are paid annually in December based on the System's year which ends on March 31st. Accrued retirement contributions as of June 30, 2023 represent the projected employer contributions for the period of April 1, 2023 through June 30, 2023 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2023 amounted to $92,847 of employer contributions. Employee contributions are remitted monthly.

For TRS, employer and employee contributions for the year ended June 30, 2023 are paid to the System in September, October and November 2023 through state aid intercept. Accrued retirement contributions as of June 30, 2023 represent employee and employer contributions for the year ended June 30, 2023. Employer contributions are based on paid TRS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2023 amounted to $878,137.

NOTE 10. INTERFUND BALANCES AND ACTIVITY.

Interfund balances and activity for the year ended June 30, 2023, were as follows:

	Interfund		Interfund	
	Receivable	Payable	Other Sources	Other Uses
General Fund	$ 506,780	$ 0	$ 0	$ 461,960
Special Aid Fund	0	502,534	2,501	0
School Lunch Fund	0	3,956	109,459	0
Capital Fund	0	290	350,000	0
Debt Service Fund	0	0	0	0
Total Governmental Activities	506,780	506,780	461,960	461,960
Fiduciary Agency Fund	0	0	0	0
Totals	$ 506,780	$ 506,780	$ 461,960	$ 461,960

NOTE 10. INTERFUND BALANCES AND ACTIVITY. (Continued)

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

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

NOTE 11. POST-EMPLOYMENT BENEFITS.

General Information about the OPEB Plan

Plan Description – The District's defined benefit OPEB plan ("the District's OPEB plan"), provides OPEB for eligible retired employees, their spouses and their dependent children. The District's OPEB plan is a single-employer defined benefit OPEB plan administered by the District based on employment contracts. As these contracts are renegotiated, eligibility and benefits may change over time. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided – The District's OPEB plan subsidizes the cost of healthcare for eligible retired employees, their spouses and their dependent children. Minimum eligibility requirements for post-employment benefits are as follows:

- Employees are eligible for postretirement benefits if he/she has met the following requirements specific to their bargaining unit:

o Administrative Contract	Age 55 with 7 Years of Service
o Assistant Superintendent	Age 55 with 5 Years of Service
o Contractual	Age 55 with 5 Years of Service
o Custodial	Age 55 with 15 Years of Service
o School Related Personnel	Age 55 with 15 Years of Service
o Teachers	Age 55 with 15 Years of Service
o Transportation	Age 55 with 5 Years of Service

- The School District reimburses the cost of Medicare Part B premiums to retirees only. Covered spouses and surviving spouses are not eligible for Medicare Part B reimbursement.

Retirees and spouses contribute to the cost of their benefits based upon their Cost Sharing agreement with the School District. Arrangements are written to identify the percentage that the District pays for the Retiree, then the percentage the District pays for the Spouse. Contribution amounts are the participant's share of the cost multiplied by the blended premium.

	Blended Premium	
Age	Retiree	Spouse
Pre-65	$ 12,564	$ 15,780
Post-65	7,344	7,992

NOTE 11. POST-EMPLOYMENT BENEFITS. (Continued)

General Information about the OPEB Plan (Continued)

Upon the death of the retiree, surviving spouses will contribute 100% of the cost of Single Coverage.

Employees Covered by Benefit Terms – At July 1, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	129
Active employees	112
Total Employees Covered by Benefit Terms	241

Total OPEB Liability

The District's total OPEB liability of $39,654,600 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 01, 2022.

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

Projected Salary Increase	4.0%
Discount Rate	3.54%
Healthcare Cost Trend Rates	Pre-65: 8.27% for 2022, decreasing to an ultimate rate of 4.5% for 2031 and later years
	Post-65: 8.85% for 2022, decreasing to an ultimate rate of 4.5% for 2031 and later years
Current Retirees' Share of Benefit Related Costs	Retirees pay 2% - 55% of the cost of single coverage and 3.75% - 65% for the spouse/family based on years of service with the District.
Future Retirees' Share of Benefit Related Costs	Retirees pay 2% - 55% of the cost of single coverage and 3.75% - 65% for the spouse/family based on years of service with the District.

NOTE 11. POSTEMPLOYMENT BENEFITS. (Continued)

Total OPEB Liability (Continued)

The discount rate was based on a review of the yield derived from the Bond Buyer 20 GO Bond Index closest to the measurement date.

Mortality rates were based on PUB-2010 Headcount Weighted Mortality – Teachers Classification for teachers bargaining unit and General Classification for all other bargaining units. Tables are projected generationally with MP-2021 from the central year.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period April 1, 2015 through March 31, 2020 for ERS participants and July 1, 2015 through June 30, 2020 for TRS participants.

Changes in the Total OPEB Liability

Balance at June 30, 2022	$ 47,601,278
Changes for the Year:	
Service cost	2,237,816
Interest	1,064,983
Changes of benefit terms	0
Differences between expected and actual experience	25,557
Changes in assumptions or other inputs	(10,200,593)
Benefit payments	(1,074,441)
Net Changes	(7,946,678)
Balance at June 30, 2023	$ 39,654,600

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% in the previous year to 3.54% in the current year.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.54 percent) or 1 percentage point higher (4.54 percent) than the current discount rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability	$ 46,479,006	$ 39,654,600	$ 34,192,639

NOTE 11. POSTEMPLOYMENT BENEFITS. (Continued)

Changes in the Total OPEB Liability (Continued)

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

	1% Decrease	Current Health Care Cost Trend Rates	1% Increase
Total OPEB Liability	$ 33,641,307	$ 39,654,600	$ 47,401,376

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

For the year ended June 30, 2023, the District recognized OPEB expense of $1,782,524. At June 30, 2023, the District reported the following deferred outflows of resources and deferred inflows of resources related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,544,402	$ 171,099
Changes of assumptions or other inputs	4,301,954	9,553,154
District's contributions subsequent to the measurement date	1,117,916	0
Total	$ 6,964,272	$ 9,724,253

District contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2023. Other amounts recognized in the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

Fiscal Year Ending June 30,	Amount
2024	$ (402,359)
2025	106,205
2026	(338,772)
2027	(637,603)
2028	(1,154,300)
Thereafter	(1,451,068)

NOTE 12. RISK MANAGEMENT.

General Information

The District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. The district is now self-insured for a portion of these risk. Losses exceeding specified limits are covered by a commercial insurance Pool, Non-Risk Retained.

Consortium

The District participates in Orange/Ulster BOCES School District Health Plan, a non-risk-retained public entity risk pool for its employee health and accident insurance coverage. The pool is operated for the benefit of individual governmental units located within the pool's geographic area, and is considered a self-sustaining risk pool that will provide coverage for its members. The pool obtains independent coverage for insured events in excess of certain limits and the District has essentially transferred all related risk to the pool.

NOTE 13. COMMITMENTS AND CONTINGENCIES.

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

NOTE 14. ENCUMBRANCES

Encumbrances represent contracts, purchase orders, payroll commitments, tax payables, or legal penalties that are chargeable to an account. They cease to be encumbrances when paid or when the actual liability amount is determined and recorded as an expenditure. As discussed in Note 1, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At June 30, 2023 the amount of encumbrances expected to be honored upon performance by the vendor in the subsequent year were as follows:

General Fund	$ 104,705
Special Aid Fund	15,500
School Lunch Fund	14,247
Capital Projects Fund	1,549,737
Total Encumbrances	$ 1,684,189

NOTE 15. TAX ABATEMENTS

The Orange County Industrial Development Agency ("the IDA") entered into a property tax abatement agreement that reduced Greenwood Lake Union Free School District's gross tax revenues. Generally, property tax abatement agreements are entered into by the IDA under New York Real Property Tax Law, Section 412-a and General Municipal Law, Section 874 in order to induce businesses to acquire, renovate, construct and upgrade certain real property within Orange County. For a qualified and approved project, the IDA takes title or a leasehold interest in the property thereby technically making the property exempt from all real property taxes. However, the IDA requires the execution of a Payment in Lieu of Taxes (PILOT) Agreement with the company which requires the company to pay the current real property taxes, including land and special district taxes, to the County, Town/Village and School District in which it is located and a graduated percentage of taxes upon the improvements constructed on the property. For the fiscal year ended June 30, 2023, the District abated property taxes totaling $3,867 under this property tax abatement agreement and received $77,000 from a local business in PILOT's.

NOTE 16. SUBSEQUENT EVENTS.

The District has evaluated subsequent events through October 12, 2023 the date that the financial statements were available to be issued. No significant subsequent events have been identified that would require adjustment of or disclosure in the accompanying financial statements.

GREENWOOD LAKE UNION FREE SCHOOL DISTRICT
GREENWOOD LAKE, NEW YORK
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2023

	06/30/22	06/30/21	06/30/20	06/30/19	06/30/18	06/30/17
Total OPEB Liability						
Service cost	$ 2,237,816	$ 1,949,409	$ 1,458,650	$ 1,266,850	$ 1,054,778	$ 1,285,245
Interest	1,064,983	1,011,161	1,372,694	1,359,740	1,115,730	973,461
Changes of benefit terms	0	0	0	0	(1,698,018)	0
Differences between expected and actual experience	25,557	(223,176)	217,499	(21,465)	4,686,296	0
Changes in assumptions or other inputs	(10,200,593)	1,421,638	3,968,165	2,138,398	(524,951)	(4,114,748)
Benefit payments	(1,074,441)	(720,582)	(998,586)	(998,586)	(827,253)	(981,838)
Net change in total OPEB liability	(7,946,678)	3,438,450	6,018,422	3,744,937	3,806,582	(2,837,880)
Total OPEB liability-beginning	47,601,278	44,162,828	38,144,406	34,399,469	30,520,854	33,358,734
Total OPEB liability-ending	$ 39,654,600	$ 47,601,278	$ 44,162,828	$ 38,144,406	$ 34,327,436	$ 30,520,854
Covered-employee payroll	$ 8,128,752	$ 8,128,752	$ 8,128,752	$ 8,937,663	$ 7,115,133	$ 5,968,516
Total OPEB liability as a percentage of covered-employee payroll	487.83%	585.59%	543.29%	426.78%	482.46%	511.36%

Notes to Schedule:

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

6/30/2022	3.54%
6/30/2021	2.16%
6/30/2020	2.21%
6/30/2019	3.51%
6/30/2018	3.87%
6/30/2017	3.58%
6/30/2016	2.85%

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

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

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

GREENWOOD LAKE UNION FREE SCHOOL DISTRICT
GREENWOOD LAKE, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	FINAL BUDGET	CURRENT YEAR'S REVENUES	OVER (UNDER) REVISED BUDGET
REVENUES				
LOCAL				
Real Property Taxes	$ 16,060,904	$ 16,060,904	$ 16,067,480	$ 6,576
Other Tax Items	1,107,742	1,107,742	1,184,742	77,000
Charges for Services	0	0	49,060	49,060
Use of Money & Property	88,050	88,050	696,029	607,979
Sale of Property & Compensation for Loss	0	0	16,382	16,382
Miscellaneous	0	0	871,297	871,297
STATE SOURCES	7,554,980	7,554,980	7,436,146	(118,834)
FEDERAL SOURCES	0	35,893	86,284	50,391
TOTAL REVENUES	24,811,676	24,847,569	$ 26,407,420	$ 1,559,851
APPROPRIATED FUND BALANCE	2,692,911	3,366,283		
TOTAL REVENUES & APPROPRIATED FUND BALANCE	$ 27,504,587	$ 28,213,852		

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

GREENWOOD LAKE UNION FREE SCHOOL DISTRICT
GREENWOOD LAKE, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

	ORIGINAL BUDGET	FINAL BUDGET	CURRENT YEAR'S EXPENDITURES	ENCUMBRANCES	UNENCUMBERED BALANCE
EXPENDITURES					
GENERAL SUPPORT:					
Board of Education	$ 62,140	$ 62,140	$ 32,475	$ 0	$ 29,665
Central Administration	303,970	303,970	299,892	0	4,078
Finance	466,940	466,939	434,685	0	32,254
Staff	168,137	248,008	221,751	9,200	17,057
Central Services	2,155,895	2,667,059	2,413,000	93,705	160,354
Special Items	244,070	244,072	237,111	0	6,961
INSTRUCTIONAL:					
Instruction, Administration & Improvement	580,795	580,795	570,377	0	10,418
Teaching - Regular School	8,191,249	8,165,222	7,611,665	0	553,557
Programs for Children with Handicapping Conditions	4,591,790	4,590,790	4,383,213	1,800	205,777
Occupational Education	374,905	374,905	248,317	0	126,588
Teaching - Special Schools	26,540	26,540	11,853	0	14,687
Instructional Media	749,760	809,760	704,687	0	105,073
Pupil Services	932,733	949,758	930,852	0	18,906
PUPIL TRANSPORTATION	1,883,203	1,997,107	1,911,942	0	85,165
COMMUNITY SERVICES	31,940	31,940	11,389	0	20,551
EMPLOYEE BENEFITS	6,513,695	6,118,022	5,509,908	0	608,114
DEBT SERVICE:					
Debt Service - Principal	112,185	112,185	121,773	0	(9,588)
Debt Service - Interest	2,680	2,680	2,837	0	(157)
TOTAL EXPENDITURES	27,392,627	27,751,892	25,657,727	104,705	1,989,460
OTHER USES:					
Operating Transfers Out	111,960	461,960	461,960	0	0
TOTAL EXPENDITURES & OTHER USES	$ 27,504,587	$ 28,213,852	26,119,687	$ 104,705	$ 1,989,460
NET CHANGE IN FUND BALANCE			$ 287,733		

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

GREENWOOD LAKE UNION FREE SCHOOL DISTRICT
GREENWOOD LAKE, NEW YORK
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2023

NYSERS Pension Plan
Last 10 Fiscal Years*

	3/31/2023	3/31/2022	3/31/2021	3/31/2020	3/31/2019	3/31/2018	3/31/2017	3/31/2016	3/31/2015	3/31/2014
District's proportion of the net pension asset/(liability)	0.0078018%	0.006828%	0.005739%	0.005711%	0.005801%	0.005749%	0.005307%	0.006418%	0.006480%	0.006480%
District's proportionate share of the net pension asset/(liability)	$ (1,673,011)	$ 558,147	$ (5,715)	$ (1,512,211)	$ (410,997)	$ (185,557)	$ (498,642)	$ (1,030,172)	$ (218,900)	$ (292,809)
District's covered-employee payroll	$ 2,662,583	$ 2,218,726	$ 1,940,394	$ 1,831,174	$ 1,714,726	$ 1,730,005	$ 1,525,514	$ 1,500,705	$ 1,525,895	$ 1,519,012
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	-62.83%	25.16%	-0.29%	-82.58%	-23.97%	-10.73%	-32.69%	-68.65%	-14.35%	-19.28%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%	97.20%

NYSTRS Pension Plan
Last 10 Fiscal Years*

	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
District's proportion of the net pension asset/(liability)	0.042268%	0.041057%	0.040004%	0.038814%	0.036476%	0.036195%	0.036659%	0.036602%	0.035431%	0.035431%
District's proportionate share of the net pension asset/(liability)	$ (811,086)	$ 7,114,706	$ (1,105,413)	$ 1,008,402	$ 659,589	$ 275,120	$ (392,631)	$ 3,801,797	$ 3,946,747	$ 230,097
District's covered-employee payroll	$ 7,829,204	$ 7,109,273	$ 6,924,819	$ 6,586,412	$ 6,034,008	$ 5,837,072	$ 5,795,881	$ 5,356,282	$ 5,259,436	$ 5,071,091
District's proportionate share of the net pension asset/(liability) as a percentage of its covered-employee payroll	-10.36%	100.08%	-15.96%	15.31%	10.93%	4.71%	-6.77%	70.98%	75.04%	4.54%
Plan fiduciary net position as a percentage of the total pension liability	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%	100.70%

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

GREENWOOD LAKE UNION FREE SCHOOL DISTRICT
GREENWOOD LAKE, NEW YORK
SCHEDULE OF DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2023

NYSERS Pension Plan
Last 10 Fiscal Years*

	3/31/2023	3/31/2022	3/31/2021	3/31/2020	3/31/2019	3/31/2018	3/31/2017	3/31/2016	3/31/2015	3/31/2014
Contractually required contribution	$ 281,577	$ 322,356	$ 258,882	$ 238,516	$ 226,757	$ 203,693	$ 235,963	$ 320,303	$ 303,106	$ 308,053
Contributions in relation to the contractually required contribution	281,577	322,356	258,882	238,516	226,757	203,693	235,963	320,303	303,106	308,053
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Employee Payroll	$ 2,662,583	$ 2,218,726	$ 1,940,394	$ 1,831,174	$ 1,714,726	$ 1,730,005	$ 1,525,514	$ 1,500,705	$ 1,525,895	$ 1,519,012
Contributions as a percentage of its covered-employee payroll	10.58%	14.53%	13.34%	13.03%	13.22%	11.77%	15.47%	21.34%	19.86%	20.28%

NYSTRS Pension Plan
Last 10 Fiscal Years*

	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Contractually required contribution	$ 767,262	$ 677,514	$ 613,539	$ 699,477	$ 591,333	$ 684,105	$ 768,534	$ 938,956	$ 854,658	$ 600,417
Contributions in relation to the contractually required contribution	767,262	677,514	613,539	699,477	591,333	684,105	768,534	938,956	854,658	600,417
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Employee Payroll	$ 7,829,204	$ 7,109,273	$ 6,924,819	$ 6,586,412	$ 6,034,008	$ 5,837,072	$ 5,795,881	$ 5,356,282	$ 5,259,436	$ 5,071,091
Contributions as a percentage of its covered-employee payroll	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%	16.25%	11.84%

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

GREENWOOD LAKE UNION FREE SCHOOL DISTRICT
GREENWOOD LAKE, NEW YORK
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND
THE REAL PROPERTY TAX LIMIT - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

CHANGE FROM ADOPTED TO FINAL BUDGET		
ADOPTED BUDGET		$ 27,125,655
ADDITIONS:		
Encumbrances from Prior Year		378,932
ORIGINAL BUDGET		27,504,587
BUDGET REVISIONS:		
Security Upgrades		323,372
NYS ELC Grant		35,893
Use of Capital Reserve		350,000
FINAL BUDGET		$ 28,213,852
SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION		
2023-2024 Voter Approved expenditure budget		
Maximum allowed (4% of 2023-2024 budget of $28,096,185)		$ 1,123,847
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		
Unrestricted Fund Balance:		
Assigned Fund Balance	$ 1,848,486	
Unassigned Fund Balance	2,477,415	
Total Unrestricted Fund Balance	4,325,901	
Less:		
Appropriated Fund Balance	1,743,781	
Encumbrances Included in Restricted and Assigned Fund Balance	104,705	
Total Adjustments	1,848,486	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 2,477,415
Actual Percentage		8.82%

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

GREENWOOD LAKE UNION FREE SCHOOL DISTRICT
GREENWOOD LAKE, NEW YORK
SCHEDULE OF CAPITAL PROJECTS FUND - PROJECT EXPENDITURES AND FINANCING RESOURCES
FOR THE YEAR ENDED JUNE 30, 2023

	PROJECT NUMBER	ORIGINAL APPROPRIATION	REVISED APPROPRIATION	EXPENDITURES TO DATE PRIOR YEARS	EXPENDITURES TO DATE CURRENT YEAR	EXPENDITURES TO DATE TOTAL	INTERFUND TRANSFER	UNEXPENDED BALANCE
Middle School Reconstruction	0001-020	$ 860,000	$ 482,252	$ 482,252	$ 0	$ 482,252	$ 0	$ 0
ES Construction	0002-013	1,476,188	137,392	137,392	0	137,392	0	0
MS Construction	0001-021	2,083,335	365,080	365,080	0	365,080	0	0
ES Construction	0001-014	0	1,029,842	1,029,842	0	1,029,842	0	0
MS Construction	0001-022	0	1,314,628	1,314,628	0	1,314,628	0	0
Roofing	0001-023	0	862,034	21,370	18,602	39,972	0	822,062
MS Construction	0001-025		218,700	0	19,875	19,875	0	198,825
District Capital Project	TBD	0	9,596	0	0	0	0	9,596
Cafeteria	0002-015	610,325	2,055,000	519,820	1,296,590	1,816,410	0	238,590
	0002-016	75,000	75,000	0	1,540	1,540	0	73,460
	0001-026	275,000	275,000	0	5,460	5,460	0	269,540
Smart School Bond	000-003	636,406	704,005	58,740	382,818	441,558	0	262,447
		$ 6,016,254	$ 7,528,529	$ 3,929,124	$ 1,724,885	$ 5,654,009	$ 0	$ 1,874,520

	PROJECT NUMBER	METHODS OF FINANCING PROCEEDS FROM DEBT	METHODS OF FINANCING LOCAL SOURCES	METHODS OF FINANCING TOTAL	FUND BALANCE JUNE 30, 2023
Middle School Reconstruction	0001-020	$ 0	$ 482,252	$ 482,252	$ 0
ES Construction	0002-013	0	137,392	137,392	0
MS Construction	0001-021	0	365,080	365,080	0
ES Construction	0001-014	0	1,029,842	1,029,842	0
MS Construction	0001-022	0	1,314,628	1,314,628	0
Roofing	0001-023	0	862,034	862,034	822,062
MS Construction	0001-025	0	218,700	218,700	198,825
District Capital Project	TBD	0	9,596	9,596	9,596
Cafeteria	0002-015	2,055,000	0	2,055,000	238,590
	0002-016	0	75,000	75,000	73,460
	0001-026	0	275,000	275,000	269,540
Smart School Bond	000-003	0	441,558	441,558	0
		$ 2,055,000	$ 5,211,082	$ 7,266,082	$ 1,612,073

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

GREENWOOD LAKE UNION FREE SCHOOL DISTRICT
GREENWOOD LAKE, NEW YORK
NET INVESTMENT IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2023

CAPITAL ASSETS, NET		$ 15,368,119
RIGHT TO USE ASSETS, NET		91,511
TOTAL CAPITAL ASSETS		15,459,630
DEDUCTIONS:		
Short-term Portion of Bonds Payable	$ 190,000	
Long-term Portion of Bonds Payable	1,865,000	
Short-term Portion of Lease Liability	8,494	
Long-term Portion of Lease Liability	18,908	
Total Deductions	2,082,402	
Less: Unspent Bond Proceeds	(238,590)	
Related Debt		(1,843,812)
NET INVESTMENT IN CAPITAL ASSETS		$ 13,615,818

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

Nugent & Haeussler, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ESTABLISHED 1925

101 Bracken Road
Montgomery, New York 12549
Tel (845) 457-1100
Fax (845) 457-1160
e-mail: nh@nhcpas.com

Peter J. Bullis, CPA, FACFEI, DABFA
Christopher E. Melley, CPA
Gary C. Theodore, CPA
Julia R. Fraino, CPA
William T. Trainor, CPA
Mark M. Levy, CPA, CFP
Thomas R. Busse, Jr., CPA
Brent T. Napoleon, CPA
Jennifer L. Capicchioni, CPA
Patrick M. Bullis, CPA
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Richard P. Capicchioni, CPA

Norman M. Sassi, CPA
Walter J. Jung, CPA

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

To the President and Members
of the Board of Education of the
Greenwood Lake Union Free School District
Greenwood Lake, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the fiduciary fund of Greenwood Lake Union Free School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Greenwood Lake Union Free School District's basic financial statements and have issued our report thereon dated October 12, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Greenwood Lake Union Free 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 Greenwood Lake Union Free School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Greenwood Lake Union Free School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency. This significant deficiency is identified as 2023-1.

Report on Compliance and Other Matters

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

Greenwood Lake Union Free School District's Response to Findings

Greenwood Lake Union Free School District's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Greenwood Lake Union Free School District's response was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.

Purpose of this Report

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

Montgomery, New York
October 12, 2023

GREENWOOD LAKE UNION FREE SCHOOL DISTRICT
GREENWOOD LAKE, NEW YORK
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2023

SECTION I – SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS
Type of Auditor's Opinion Issued: Unmodified

Internal Control over Financial Reporting: Material Weakness(es) identified?	_____ Yes	_X_ No
Significant deficiencies identified that are Not considered to be material weaknesses	_X_ Yes	_____ No
Noncompliance material to financial statements noted?	_____ Yes	_X_ No

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2023-1 Limited Segregation of Duties

Condition: The auditor found instances where segregation of duties was limited. Limitations in control activities may be addressed through additional management oversight. Through interviews with management and staff we were able to satisfy ourselves that direct involvement and knowledge of these activities reduced the potential for error or irregularities.

Criteria: Segregation of duties relates to how various duties are assigned to different people within the organization so that no single person is in a position to both commit and conceal errors, irregularities or fraud.

Cause: Limited resources and personnel available contribute directly to the level of segregation achieved. Another factor is the organizational structure and the assignment of responsibilities within that structure.

Effect: The financial statements could have been significantly misstated due to errors or irregularities and fraud or misappropriation could occur and not be detected without adequate segregation of duties and responsibilities.

Recommendation: We recommend that District management review the assigned responsibilities of business office staff, as well as the duties actually being performed by each staff person. As part of this review, management should consider whether the current staffing level is sufficient to achieve the desired internal control, as it may be necessary to hire additional staff.

Managements Response: By January 1, 2024, the Business Office segregation of duties, as assigned by job description, will be complete to achieve the desired internal control between the Human Resource & Benefits Coordinator and Principal Account Clerk payroll responsibilities.

Nugent & Haeussler, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ESTABLISHED 1925

101 Bracken Road
Montgomery, New York 12549
Tel (845) 457-1100
Fax (845) 457-1160
e-mail: nh@nhcpas.com

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INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of the
Greenwood Lake Union Free School District
Greenwood Lake, New York

Opinion

We have audited the accompanying financial statements of the Greenwood Lake Union Free School District's Extraclassroom Activity Funds, which comprise the statement of assets, liabilities, and fund balance-cash basis as of June 30, 2023, and the related statement of receipts and disbursements-cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets liabilities and fund balance – cash basis of the Greenwood Lake Union Free School District's Extraclassroom Activity Funds as of June 30, 2023, and it's receipts and disbursements – cash basis for the year then ended, in accordance with the cash basis of accounting described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Greenwood Lake Union Free School District's Extraclassroom Activity Funds and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

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

Responsibilities of Management for the Financial Statements

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

MEMBERS: NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS • AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

Nugent & Haeussler, P.C.

Montgomery, New York
October 12, 2023

GREENWOOD LAKE UNION FREE SCHOOL DISTRICT
GREENWOOD LAKE, NEW YORK
EXTRACLASSROOM ACTIVITY FUND
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS
JUNE 30, 2023

ASSETS

Cash in Checking	$ 2,502

FUND BALANCE

Fund Balance, Beginning of Year	$ 2,295
Excess of Disbursements over Receipts	207
Fund Balance, End of Year	$ 2,502

See notes to financial statements.

GREENWOOD LAKE UNION FREE SCHOOL DISTRICT
GREENWOOD LAKE, NEW YORK
EXTRACLASSROOM ACTIVITY FUND
SUMMARY OF RECEIPTS AND DISBURSEMENTS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	CASH BALANCE JUNE 30, 2022	RECEIPTS	DISBURSEMENTS	CASH BALANCE JUNE 30, 2023
8th Grade	$ 944	$ 11,814	$ 11,090	$ 1,668
National Junior Honor Society	485	0	283	202
Student Council 4-8	564	436	725	275
Lakers Club	302	2,230	2,175	357
	$ 2,295	$ 14,480	$ 14,273	$ 2,502

See notes to financial statement.

GREENWOOD LAKE UNION FREE SCHOOL DISTRICT
GREENWOOD LAKE, NEW YORK
EXTRACLASSROOM ACTIVITY FUNDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

(a) The transactions of the Extraclassroom Activity Funds are considered part of the reporting entity of the Greenwood Lake Union Free School District. We have included the Extraclassroom Activity Fund balances within the Miscellaneous Special Revenue Fund of the financial statements. The separate audit report of the Extraclassroom Activity Funds is required due to the fact that the transactions of this fund are controlled by student management.

(b) The books and records of the Greenwood Lake Union Free School District, Extraclassroom Activity Funds are maintained on the cash basis of accounting. Under this basis of accounting, revenues are recognized when cash is received and expenditures recognized when cash is disbursed.

(c) The Extraclassroom Activity Funds are used to record the activity of all student-related activities within the District. These funds are under the control of an appointed central treasurer who maintains cash receipts and cash disbursement books. All receipts are collected by the student activity treasurer and disbursements must be approved by the student management.