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CPAs & ADVISORS



Hermon-Dekalb Central School District

Financial Statement Audit

Board of Education Presentation

November 3, 2025

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Outline

- Required Communications
- Highlights of the Financial Statements & Disclosures
- Graphs
- No Instances of Noncompliance /No Management Letter Comments

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Required Communications

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Communication with Those Charged with Governance

- Accounting Policies – Note 1
  - No unusual policies
  - Adopted all new applicable GASB Standards
- GASB Standard Effective for 2025
  - GASB 101, Compensated Absences (more detail on next slide)
- Future GASB Standards
  - Various Other Standards, GASB 103 & GASB 104 (Described in Note 1)

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GASB 101, *Compensated Absences*

- District's must recognize a liability for compensated absences when all of the following are true:
  - *The leave is attributable to services already rendered*
  - *The leave accumulates or is carried forward*
  - *It is more likely than not that the leave will be used for time off or paid/settled*
- Liability Concept – What changed?
  - Old Method – Calculate amount for leave that will be paid out upon termination/retirement
  - New Method
    - Vested Employees – Calculate amount paid out upon termination/retirement & amount that will be used and paid out during employment.
    - Non-Vested Employees – Same as Vested employees, except there is an additional consideration to estimate the amount that will be forfeited if the Employee does not become vested or retire.

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Communication with Those Charged with Governance - continued

- Significant Accounting Estimates
  - Depreciation Expense - based on useful lives of capital asset classes (described in Note 1)
  - Actuarial assumptions that are used to determine pension asset (liabilities) and annual pension cost for the year in accordance with GASB Statement No. 68
  - Actuarial assumptions that are used to determine annual postretirement cost for the year in accordance with GASB Statement No. 75
  - Management assumptions that are used to determine compensated absences for the year in accordance with GASB Statement No. 101
- Audit Adjustments
  - All misstatements corrected by Management
  - See material misstatements attached to the Communication with Those Charged with Governance letter
  - Current year material misstatements included adjustments to prepare the financial statements.

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Communication with Those Charged with Governance - continued

- There Were No:
  - Difficulties encountered in performing the audit
  - Transactions that lacked authoritative guidance or consensus
  - Disagreements with management
  - Known communications with other accountants
- Other Matters
  - Limited procedures on the MD&A and Required Supplementary Information (RSI)
    - Not audited
  - Engaged to report on Supplementary Information which are not RSI
    - Inquiries, comparison to prior year, reconciled to the financial statements

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Independent Auditor's Report

- The Audit Report
  - The Financial Statements are the responsibility of Management
  - Our responsibility is to express an opinion on the financial statements based on our audit for 2025
- Unmodified Opinion for 2025 (Clean Opinion)
- Other Matters
  - MD&A and RSI (Required and not audited)
  - Other Supplementary Information (Required by NYS ED and optional combining schedules)
  - Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance And Other Matters Based on An Audit of Financial Statements Performed in Accordance with Government Auditing Standards

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Financial Statements

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2024 – 2025 Highlights

General Fund

- Change in fund balance of $621,154
- Reserves of $3,879,094 on 6/30/25 or 73% of fund balance

Special Aid Fund

- Revenues of $1.03M in 2025, including of $244k of Education Stabilization Funds
- Total Federal Assistance $1.2M

Capital Funds

- Bus purchase of $233k
- Capital outlay of $100k

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Condensed Statement of Net Position- Governmental Activities

	2023-2024	2024-2025	Change
Assets			
Current and Other Assets	$ 5,843,810	$ 6,501,460	$ 657,650
Capital Assets, Net	19,341,769	18,549,562	(792,207)
Net Pension Asset - Proportionate Share	-	574,037	574,037
Total Assets	$ 25,185,579	$ 25,625,059	$ 439,480
Deferred Outflows of Resources			
Other Postemployment Benefits	$ 3,159,948	$ 1,745,469	$ (1,414,479)
Pensions	1,937,723	1,603,317	(334,406)
Total Deferred Outflows of Resources	$ 5,097,671	$ 3,348,786	$ (1,748,885)
Liabilities			
Current Liabilities	$ 1,679,299	$ 1,882,941	$ 203,642
Long-Term Liabilities	40,188,652	39,342,167	(846,485)
Net Pension Liability - Proportionate Share	718,348	481,068	(237,280)
Total Liabilities	$ 42,586,299	$ 41,706,176	$ (880,123)
Deferred Inflows of Resources			
Pensions	$ 422,814	$ 800,407	$ 377,593
Other Postemployment Benefits	5,323,814	5,014,563	(309,251)
Total Deferred Inflows of Resources	$ 5,746,628	$ 5,814,970	$ 68,342
Net Position			
Net Investment in Capital Assets, Net of Related Debt	$ 5,940,216	$ 5,804,446	$ (135,770)
Restricted	2,798,880	4,165,628	1,366,748
Unrestricted	(26,788,773)	(28,517,375)	(1,728,602)
Total Net Position	$ (18,049,677)	$ (18,547,301)	$ (497,624)

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Note: Information extracted from the audited basic financial statements. Please refer to the independent auditor's report.

Statement of Activities and Changes in Net Position- Governmental Activities

	2023-2024	2024-2025	% Change
Revenues			
Program Revenues			
Charges for Services	$ 95,908	$ 72,639	-24.3%
Operating Grants	1,490,910	1,393,778	-6.5%
General Revenues			
Property and Other Tax Items	2,742,281	2,827,639	3.1%
Use of Money and Property	241,910	217,329	-10.2%
Sale of Property and Compensation for Loss	104,034	68,815	-33.9%
Gain (Loss) on Disposition of Fixed Assets	(19,024)	6,815	135.8%
Miscellaneous	377,855	310,374	-17.9%
State Sources	10,008,849	10,002,634	-0.1%
Medicaid Reimbursement	-	420	100.0%
Total Revenues	$ 15,042,723	$ 14,900,443	-0.9%
Expenses			
General Support	$ 2,418,561	$ 2,438,312	0.8%
Instruction	11,918,850	10,969,023	-8.0%
Pupil Transportation	1,094,119	876,205	-19.9%
Debt Service - Interest	627,507	659,736	5.1%
School Food Service Program	414,362	454,791	9.8%
Total Expenses	16,473,399	15,398,067	-6.5%
Change in Net Position	$ (1,430,676)	$ (497,624)	65.2%

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Note: Information extracted from the audited basic financial statements. Please refer to the independent auditor's report.

Financial Statement Disclosures- Capital Assets

Governmental Activities	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Capital Assets That Are Not Depreciated:				
Land	$ 110,143	$ -	$ -	$ 110,143
Total Nondepreciable Assets	110,143	-	-	110,143
Other Capital Assets:				
Buildings and Improvements	27,548,711	100,000	-	27,648,711
Furniture and Equipment	5,145,934	285,145	(118,500)	5,312,579
Total Other Capital Assets	32,694,645	385,145	(118,500)	32,961,290
Less Accumulated Depreciation:				
Buildings and Improvements	10,089,771	856,197	-	10,945,968
Furniture and Equipment	3,373,248	315,970	(113,315)	3,575,903
Total Accumulated Depreciation	13,463,019	1,172,167	(113,315)	14,521,871
Total Other Capital Assets, Net	19,231,626	(787,022)	(5,185)	18,439,419
Capital Assets, Net	$ 19,341,769	$ (787,022)	$ (5,185)	$ 18,549,562

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Note: Information extracted from the audited basic financial statements. Please refer to the independent auditor's report.

Financial Statement Disclosures- Long-Term Debt Obligations

Government Activities	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds and Notes Payable:					
General Obligation Debt:					
Serial Bonds	$ 12,180,000	$ 250,000	$ 825,000	$ 11,605,000	$ 1,015,000
Premium on Bonds	1,221,553	-	81,437	1,140,116	81,437
Total Bonds and Notes Payable	13,401,553	250,000	906,437	12,745,116	1,096,437
Other Liabilities:					
Compensated Absences Payable	364,895	-	3,227	361,668	-
Other Postemployment Benefits Liability	27,328,641	3,179	-	27,331,820	-
Net Pension Liability - Proportionate Share	718,348	-	237,280	481,068	-
Total Other Liabilities	28,411,884	3,179	240,507	28,174,556	-
Total Governmental Activities	$ 41,813,437	$ 253,179	$ 1,146,944	$ 40,919,672	$ 1,096,437

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Note: Information extracted from the audited basic financial statements. Please refer to the independent auditor's report.

Balance Sheet- Governmental Funds

	General	Special Aid	Non-Major Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents				
Unrestricted	$1,052,454	$ 53,894	$ 126,346	$ 1,232,694
Restricted	3,879,094	-	270,756	4,149,850
Due From Other Funds	421,003	10,254	21,345	452,602
State and Federal Aid	252,569	398,129	28,998	679,696
Due From Other Governments	411,552	-	-	411,552
Other	-	-	27	27
Inventories	-	-	22,738	22,738
Prepaid Expenditures	4,903	-	-	4,903
TOTAL ASSETS	$6,021,575	$ 462,277	$ 470,210	$ 6,954,062
LIABILITIES				
Payables				
Accounts Payable	$ 103,600	$ 57,519	$ 1	$ 161,120
Accrued Liabilities	95,932	2,001	67	98,000
Due to Other Funds	681	383,942	67,979	452,602
Due to Other Governments	-	4,923	389	5,312
Due to Teachers' Retirement System	415,763	1,693	-	417,456
Due to Employees' Retirement System	56,932	-	-	56,932
Unearned Credits				
Unearned Revenues – Other	-	12,199	-	12,199
Total Liabilities	672,908	462,277	68,436	1,203,621
DEFERRED INFLOWS OF RESOURCES				
Deferred State Aid	-	-	1,582	1,582
Total Deferred Inflows of Resources	-	-	1,582	1,582
FUND BALANCES (DEFICITS)				
Nonspendable	4,903	-	22,738	27,641
Restricted	3,879,094	-	286,534	4,165,628
Assigned	1,218,338	-	92,502	1,310,840
Unassigned (Deficit)	246,332	-	(1,582)	244,750
Total Fund Balances (Deficit)	5,348,667	-	400,192	5,748,859
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	$6,021,575	$ 462,277	$ 470,210	$ 6,954,062

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Note: Information extracted from the audited basic financial statements. Please refer to the independent auditor's report.

Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Funds

	General	Special Aid	Non-Major Funds	Total Governmental Funds
REVENUES				
Real Property Taxes	$ 2,497,974	$ -	$ -	$ 2,497,974
Other Tax Items	329,665	-	-	329,665
Charges for Services	40,997	-	31,642	72,639
Use of Money and Property	203,222	-	14,107	217,329
Sale of Property and Compensation for Loss	68,815	-	-	68,815
State Sources	10,002,634	125,282	55,959	10,183,875
Medicaid Reimbursement	420	-	-	420
Federal Sources	-	899,184	313,353	1,212,537
Miscellaneous	223,323	-	87,051	310,374
Total Revenues	13,367,050	1,024,466	502,112	14,893,628
EXPENDITURES				
General Support	1,741,066	-	132,790	1,873,856
Instruction	5,690,183	952,275	-	6,642,458
Pupil Transportation	509,741	-	-	509,741
Employee Benefits	3,115,301	77,667	35,374	3,228,342
Debt Service				
Principal	825,000	-	-	825,000
Interest	759,129	-	-	759,129
Food Service Program				
Cost of Sales	-	-	265,181	265,181
Other Expenditures	-	-	80,562	80,562
Capital Outlay	-	-	333,307	333,307
Total Expenditures	12,640,420	1,029,942	847,214	14,517,576
Excess (Deficiency) of Revenues Over Expenditures	726,630	(5,476)	(345,102)	376,052
OTHER FINANCING SOURCES AND (USES)				
Proceeds from Debt	-	-	250,000	250,000
Operating Transfers In	-	5,476	116,693	122,169
Operating Transfers (Out)	(105,476)	-	(16,693)	(122,169)
Total Other Financing Sources and (Uses)	(105,476)	5,476	350,000	250,000
Net Change in Fund Balance	621,154	-	4,898	626,052
Fund Balances – Beginning of Year	4,727,513	-	395,294	5,122,807
Fund Balances – End of Year	$ 5,348,667	$ -	$ 400,192	$ 5,748,859

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Note: Information extracted from the audited basic financial statements. Please refer to the independent auditor's report.

Section 1318 of Real Property Tax Law Limit Calculation

SECTION 1318 OF REAL PROPERTY TAX LAW CALCULATION

2025-2026 Voter Approved Expenditure Budget		$ 14,561,880
Maximum Allowed 4% of 2025-2026 Budget		$ 582,475
General Fund Balance Subject to Section 1318 of Real Property Tax Law		
Unrestricted Fund Balance:		
Assigned Fund Balance	$ 1,218,338	
Unassigned Fund Balance	246,332	
Total Unrestricted Fund Balance	1,464,670	
Less:		
Appropriated Fund Balance	1,197,894	
Encumbrances Included in Assigned Fund Balance	20,444	
Total Adjustments	1,218,338	
General Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 246,332
Actual Percentage		1.69%

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Note: Information extracted from the audited basic financial statements. Please refer to the independent auditor's report.

General Fund Budget vs. Actual - Revenues

	Original Budget	Final Budget	Actual	Final Budget Variance With Actual
REVENUES				
Local Sources				
Real Property Taxes	$ 2,497,200	$ 2,497,200	$ 2,497,974	$ 774
Other Tax Items	298,873	298,873	329,665	30,792
Charges for Services	-	-	40,997	40,997
Use of Money and Property	25,000	25,000	203,222	178,222
Sale of Property and Compensation for Loss	-	66,619	68,815	2,196
Miscellaneous	-	-	223,323	223,323
Total Local Sources	2,821,073	2,887,692	3,363,996	476,304
State Sources	10,226,335	10,226,335	10,002,634	(223,701)
Medicaid Reimbursement	10,000	10,000	420	(9,580)
Total Revenues	13,057,408	13,124,027	$ 13,367,050	$ 243,023
APPROPRIATED FUND BALANCE				
Prior Years' Surplus	1,363,565	1,363,565		
Prior Years' Encumbrances	78	78		
Total Revenue and Appropriated Fund Balance	$ 14,421,051	$ 14,487,670		

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Note: Information extracted from the audited basic financial statements. Please refer to the independent auditor's report.

General Fund Budget vs. Actual - Expenditures

				Year-End Encumbrances	Final Budget Variance With Actual And Encumbrances
EXPENDITURES					
General Support					
Board of Education	$ 13,166	$ 19,074	$ 18,080	$ -	$ 994
Central Administration	162,559	200,540	196,254	-	4,286
Finance	263,132	277,679	276,621	-	1,058
Staff	82,530	72,181	71,216	-	965
Central Services	765,034	829,101	744,348	395	84,358
Special Items	434,869	435,937	434,547	-	1,390
Total General Support	1,721,290	1,834,512	1,741,066	395	93,051
Instruction					
Instruction, Administration and Improvement	300,943	328,918	311,373	-	17,545
Teaching - Regular School	3,132,856	3,020,934	2,635,412	8,770	376,752
Programs for Children with Handicapping Conditions	2,184,809	2,177,815	1,341,515	11,279	825,021
Occupational Education	383,376	383,376	383,376	-	-
Teaching - Special School	125,348	132,341	91,262	-	41,079
Instructional Media	525,099	540,868	460,559	-	80,309
Pupil Services	529,570	547,390	466,686	-	80,704
Total Instruction	7,182,001	7,131,642	5,690,183	20,049	1,421,410
Pupil Transportation	564,238	567,994	509,741	-	58,253
Community Service	2,750	2,750	-	-	2,750
Employee Benefits	3,219,685	3,219,685	3,115,301	-	104,384
Debt Service	1,616,087	1,616,087	1,584,129	-	31,958
Total Expenditures	14,306,051	14,372,670	12,640,420	20,444	1,711,806
OTHER FINANCING USES					
Operating Transfers to Other Funds	115,000	115,000	105,476	-	9,524
Total Expenditures and Other Financing Uses	$ 14,421,051	$ 14,487,670	12,745,896	$ 20,444	$ 1,721,330
Net Change in Fund Balance			621,154		
Fund Balances - Beginning of Year			4,727,513		
Fund Balances - End of Year			$ 5,348,667		

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Note: Information extracted from the audited basic financial statements. Please refer to the independent auditor's report.

Schedule of Expenditures of Federal Awards (DRAFT)

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	Assistance Listing Number	Agency or Pass-Through Number	Federal Expenditures
U. S. Department of Education			
Passed-Through NYS Education Department:			
Title I Grants to Local Educational Agencies:			
Title I Grants to Local Educational Agencies	84.010A	0021-25-2615	$ 237,313
Total Title I Grants to Local Educational Agencies			237,313
Special Education Cluster:			
Special Education - Grants to States (IDEA, Part B)	84.027A	0032-25-0792	122,254
Special Education - Preschool Grants (IDEA Preschool)	84.173A	0033-25-0792	1,021
Total Special Education Cluster			123,275
Education Stabilization Fund:			
COVID-19: American Rescue Plan Elementary and Secondary School Emergency Relief Fund (ARP ESSER III)	84.425U	5880-21-2615	16,948
COVID-19: American Rescue Plan Elementary and Secondary School Emergency Relief Fund (ARP SLR Comp After School)	84.425U	5883-21-2615	180
COVID-19: American Rescue Plan Elementary and Secondary School Emergency Relief Fund (ARP SLR Learning Loss)	84.425U	5884-21-2615	226,907
Total Education Stabilization Fund			244,035
Supporting Effective Instruction State Grants	84.367A	0147-25-2615	25,520
Student Support and Academic Enrichment Program	84.424F	0248-25-1010	225,057
Student Support and Academic Enrichment Program	84.424A	0204-25-2615	12,144
Total Passed Through NYS Education Department			867,344
Direct Program:			
Rural Education Achievement Program	84.368B		31,840
Total Direct Programs from U.S. Department of Education			31,840
Total U.S. Department of Education			899,184
Subtotal to Next Page			$ 899,184

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Note: Information extracted from the draft audited single audit report. Please refer to the independent auditor's report.

Schedule of Expenditures of Federal Awards - Continued

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	Assistance Listing Number	Agency or Pass-Through Number	Federal Expenditures
Subtotal from Previous Page			$ 899,184
U. S. Department of Agriculture			
Passed-Through NYS Education Department:			
Child Nutrition Cluster			
Non-Cash Assistance (Food Distribution)			
National School Lunch Program	10.555		11,916
Fresh Fruit and Vegetable Program	10.582		12,111
Non-Cash Assistance Subtotal			24,027
Cash Assistance			
School Breakfast Program	10.553		96,050
National School Lunch Program	10.555		181,140
COVID-19: Supply Chain Assistance Grant	10.555		4,872
Summer Food Service Program	10.559		7,264
Cash Assistance Subtotal			289,326
Total Child Nutrition Cluster			313,353
Total Passed Through NYS Education Department			313,353
Total U.S. Department of Agriculture			313,353
Total Federal Assistance			$ 1,212,537

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Note: Information extracted from the draft audited single audit report. Please refer to the independent auditor's report.

Extra Classroom Activity Funds

- Audited Statement of Cash Receipts and Disbursements and Related
- Note (Cash Basis)
- Unmodified Opinion

Class of:	Cash Balance 07/01/2024	Cash Receipts	Cash Disbursements	Cash Balance 06/30/2025
2024	$ 2,968	$ -	$ 904	$ 2,064
2025	8,711	19,103	27,686	128
2026	12,688	15,489	8,287	19,890
2027	3,891	8,229	5,570	6,550
2028	-	8,983	4,582	4,401
Athletic Account	1,689	6,203	7,048	844
Drama Club	2,788	5,027	1,324	6,491
Fine Arts Club	1,084	-	364	720
Interest Account	217	1,696	-	1,913
National Honor Society	1,631	-	114	1,517
NYS Sales Tax	509	1,047	995	561
Outing Club	6,364	7,860	6,450	7,774
Student Council	6,661	-	100	6,561
Yearbook	7,205	4,303	5,030	6,478
Total	$ 56,406	$ 77,940	$ 68,454	$ 65,892

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Note: Information extracted from the audited basic financial statements. Please refer to the independent auditor's report.

Graphs

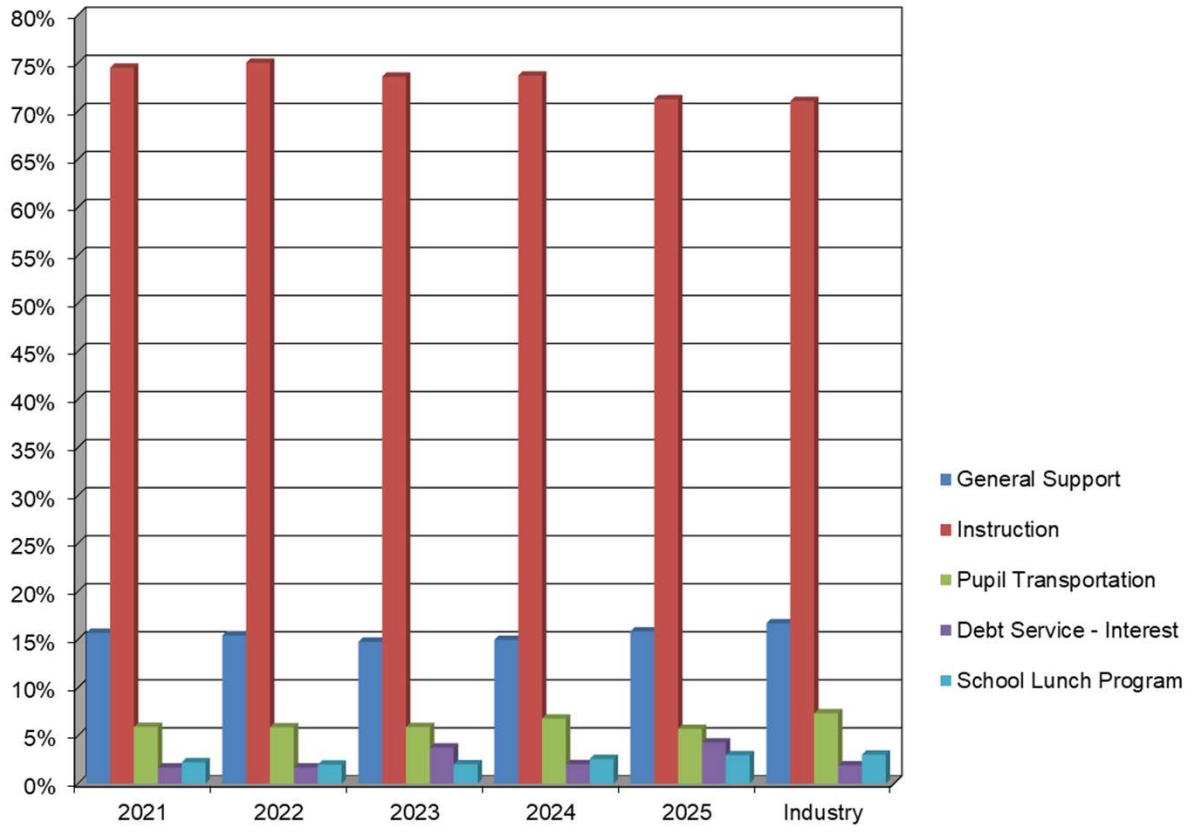
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Hermon-DeKalb CSD
General and Program Revenues - Government Wide



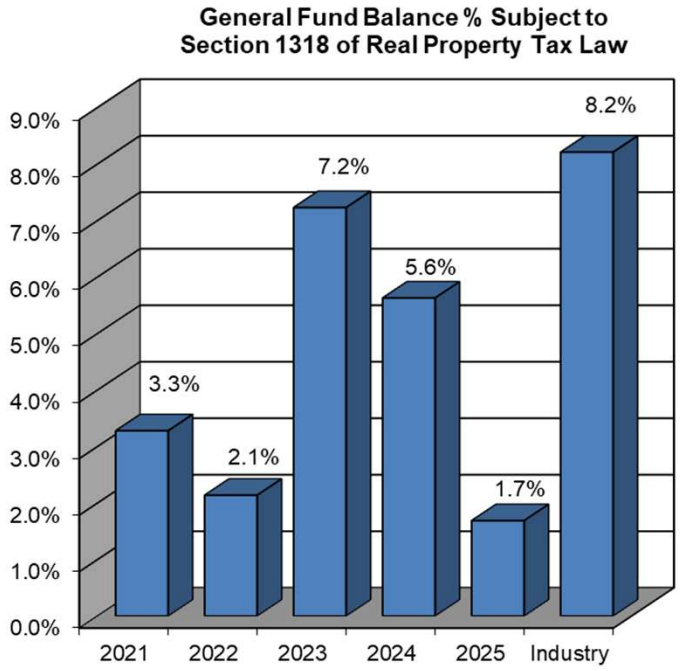
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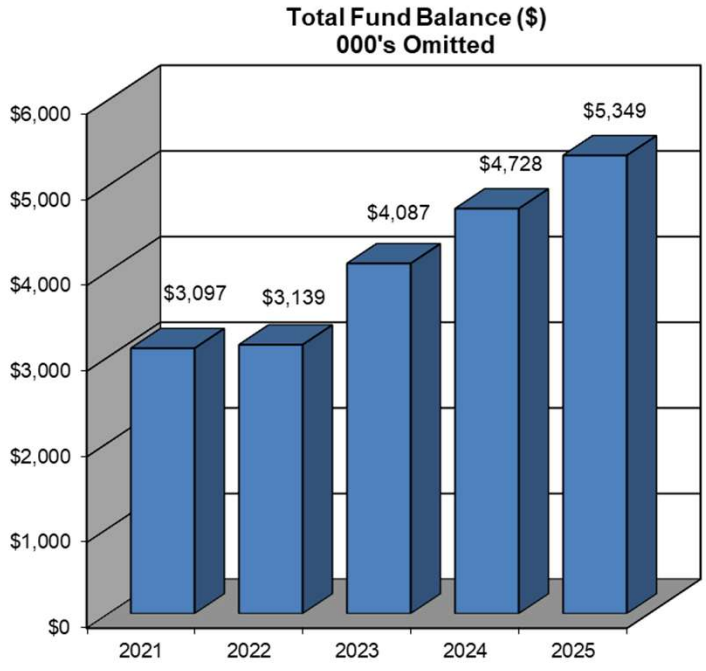
Hermon-DeKalb CSD
Program Expenses - Government Wide



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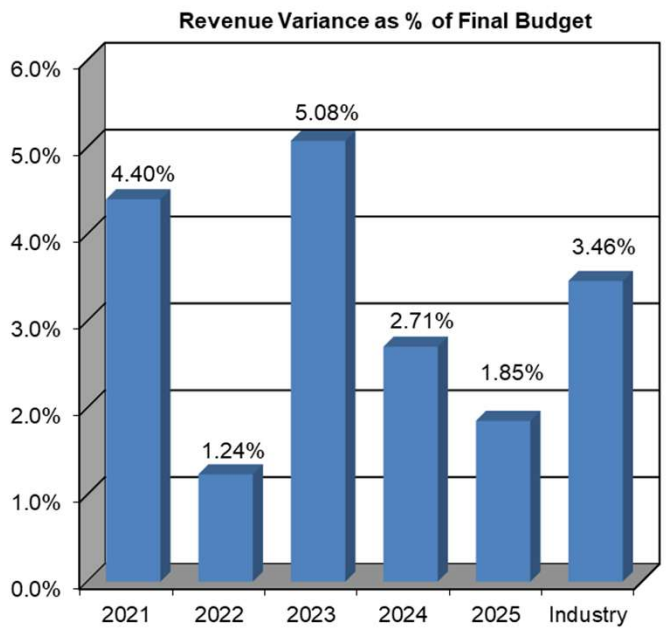
Hermon-DeKalb CSD
General Fund - Fund Balance

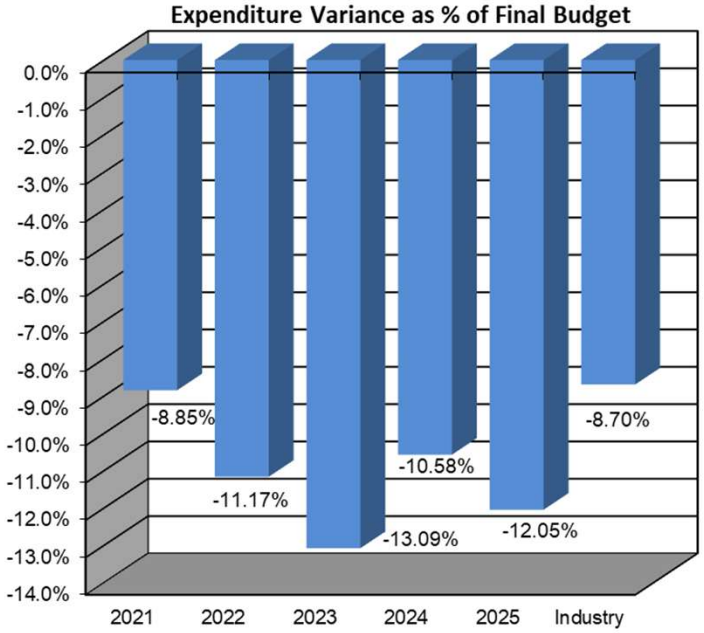




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Hermon-DeKalb CSD
General Fund - Final Budget Variance with Actual and Encumbrances





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Additional Services Performed in 2025

- Assistance with the implementation of GASB 101
- Maintenance of Capital Asset Depreciation Schedules
- Assistance with various year-end journal entries.
- Various other consulting services during the year to assist with questions from the business office.
- Data Collection Form preparation

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Contact Information



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Thank you for your business!

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