

**NISKAYUNA CENTRAL SCHOOL DISTRICT
FINANCIAL REPORT
JUNE 30, 2022**

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JUNE 30, 2022**

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BUSINESS
ADVISORS
AND CPAS

INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of the
Niskayuna Central School District

Report on the Audit of the Financial Statement

Opinions

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

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

Basis for Opinions

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

Change in Accounting Principle

As described in Note 10 to the financial statements, in 2021/2022, the District adopted new accounting guidance, GASB Statement No. 87, *Leases* and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

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 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.

Canandaigua + Elmira + Latham + Queensbury + Rochester

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages A1- A10, budgetary comparison information on pages C1 and C2, schedule of changes in total OPEB liability on page C3, schedules of proportionate share of net pension liability (asset) on page C4 and schedules of District contributions on page C5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting 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.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Niskayuna Central School District's basic financial statements. The supplemental information on pages D1 - D3 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards on page F4 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. These supplemental schedules and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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 information and schedule of expenditures of federal awards are 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 January 26, 2023, on our consideration of the 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 to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Mengel, Metzger, Barw & Co. LLP

Latham, NY
January 26, 2023

NISKAYUNA CENTRAL SCHOOL DISTRICT
Management's Discussion and Analysis (MD&A)
June 30, 2022

INTRODUCTION

The Niskayuna Central School District offers readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022.

FINANCIAL HIGHLIGHTS

- Fund balance and reserves represented 2.93% of General Fund budget in 2021-22 and 2.53% of General Fund budget in 2022-23.
- The District maintained an unassigned fund balance at 3.86% of the General Fund budget for 2022-23.
- General Fund restricted fund balance was \$9,243,298 for the fiscal year ending June 30, 2022.
- District voters approved two capital project propositions totaling \$79 million in capital improvement across the district in February of 2021. The propositions passed with 70% in favor of the first project and 64% in favor of the second project. In June of 2022, the district completed a \$26.1 Million Bond Anticipation Note to provide funds for Phases 1 and 2 of this Capital Project work.
- The District issued \$974,092 in serial bonds to purchase transportation vehicles.
- In May 2022, the 2022-23 budget was approved by a 63% margin. The 2022-23 budget totaling \$99,853,067 represents a \$6,795,555 increase from 2021-22.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis narrative (required supplemental information) is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components:

1. District-wide Financial Statements
2. Fund Financial Statements
3. Notes to the Financial Statements

In addition to these statements, this report also includes other supplemental information.

Our auditor has provided assurance in the independent auditor's report that the Basic Financial Statements are fairly stated. A different degree of assurance is being provided by the auditor regarding the supplemental information identified below. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each part in the financial statements.

District-wide Financial Statements

The district-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.

**Niskayuna Central School District
Net Position
June 30, 2022 and 2021**

	Governmental Activities		Variance Increase/ (Decrease)
	<u>2022</u>	<u>2021</u>	
Current Assets	\$54,991,884	\$27,946,958	\$27,044,926
Capital Assets, net	76,262,752	73,133,936	3,128,816
Lease Assets, net	2,493,961	0	2,493,961
Pension Asset	37,821,657	0	37,821,657
Total Assets	<u>171,570,254</u>	<u>101,080,894</u>	<u>70,489,360</u>
Deferred Outflows of Resources	<u>55,994,348</u>	<u>64,106,106</u>	<u>(8,111,758)</u>
Total Assets and Deferred Outflows of Resources	<u>\$227,564,602</u>	<u>\$165,187,000</u>	<u>\$62,377,602</u>
Current Liabilities	48,928,231	18,145,629	30,782,602
Other Post Employment Benefits Payable	153,408,567	188,034,576	(34,626,009)
Other Noncurrent Liabilities	11,370,149	24,413,639	(13,043,490)
Total Liabilities	<u>213,706,947</u>	<u>230,593,844</u>	<u>(16,886,897)</u>
Deferred Inflows of Resources	<u>103,884,793</u>	<u>35,742,997</u>	<u>68,141,796</u>
Total Liabilities and Deferred Inflows of Resources	<u>317,591,740</u>	<u>266,336,841</u>	<u>51,254,899</u>
Net Position:			
Investments in Capital Assets, Net of Related Debt	36,419,697	47,716,455	(11,296,758)
Restricted for Debt, Employee Benefits & Taxes	10,466,315	15,178,762	(4,712,447)
Unrestricted	<u>(136,913,150)</u>	<u>(164,045,058)</u>	<u>27,131,908</u>

Total Net Position	<u>(\$90,027,138)</u>	<u>(\$101,149,841)</u>	<u>\$11,122,703</u>
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The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

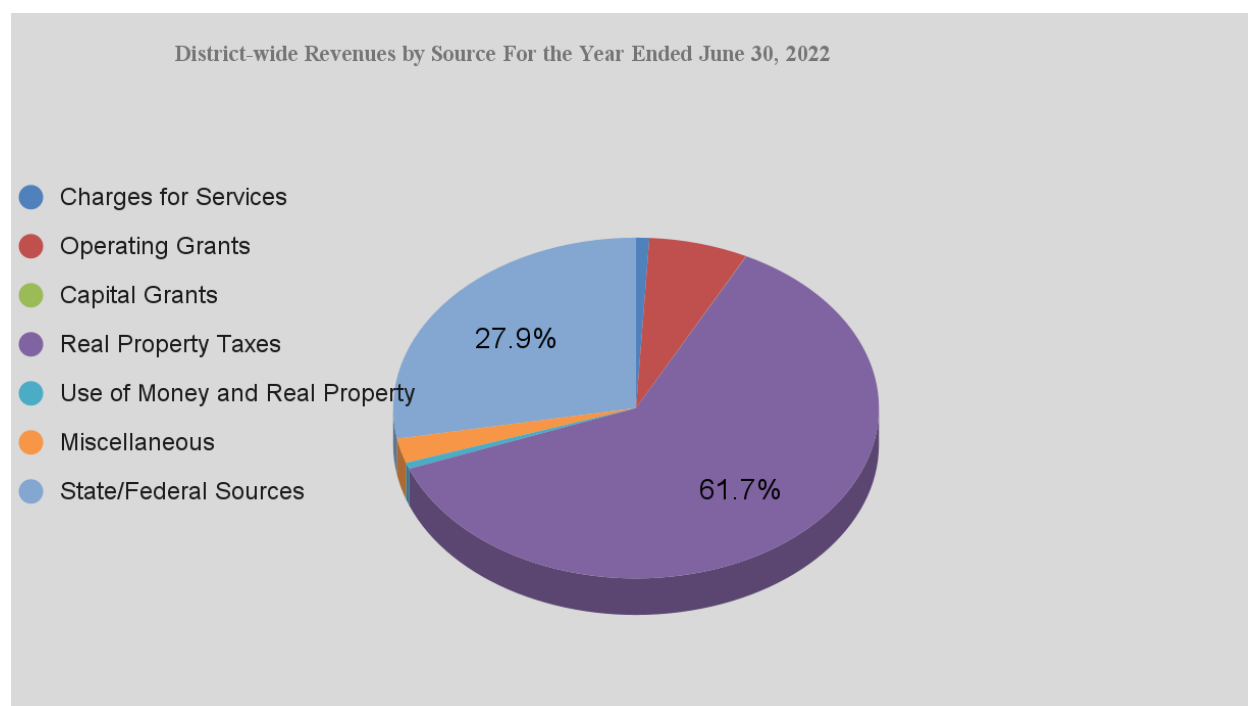
**Niskayuna Central School District
Changes in Net Position
For the Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>	<u>Variance Increase/ (Decrease)</u>
<u>Revenues:</u>			
Program Revenues:			
Charges for Services	\$ 862,181	\$504,961	\$357,220
Operating Grants	6,490,369	2,237,458	4,252,911
Capital Grants	<u>18,153</u>	<u>611,432</u>	<u>(593,279)</u>
Total Program Revenues	<u>7,370,703</u>	<u>3,353,851</u>	<u>4,016,852</u>
General Revenues			
Real Property Taxes	60,594,479	59,815,893	778,586
Use of Money and Real Property	585,230	608,452	(23,222)
Sale of Property and Compensation for Loss	55,443	43,510	11,933
Miscellaneous	2,232,465	1,523,998	708,467
State Sources	27,002,822	23,495,276	3,507,546
Federal Sources	<u>387,805</u>	<u>625,559</u>	<u>(237,754)</u>
Total General Revenues	<u>90,858,244</u>	<u>86,112,688</u>	<u>4,745,556</u>
Total All Revenues	<u>\$98,228,947</u>	<u>\$89,466,539</u>	<u>\$8,762,408</u>
<u>Gross Expenses:</u>			
General Support	\$10,104,373	\$9,903,444	\$200,929
Instruction	67,865,116	77,196,077	(9,330,961)
Pupil Transportation	6,626,925	6,626,471	454
Employee Benefits	0	0	-
Debt Service Interest Exp.	821,098	949,723	(128,625)
Capital & Other Exp.	0	1,432,728	(1,432,728)
School Lunch	<u>2,056,330</u>	<u>1,272,570</u>	<u>783,760</u>
Total Expenses	<u>\$87,473,842</u>	<u>\$97,381,013</u>	<u>(\$9,907,171)</u>
<u>Change in Accounting Principle:</u>			
Cumulative Effect of Change in Accounting Principle	<u>367,598</u>	<u>302,808</u>	<u>64,790</u>
Change in Net Position	\$11,122,703	(\$7,611,666)	\$18,734,369

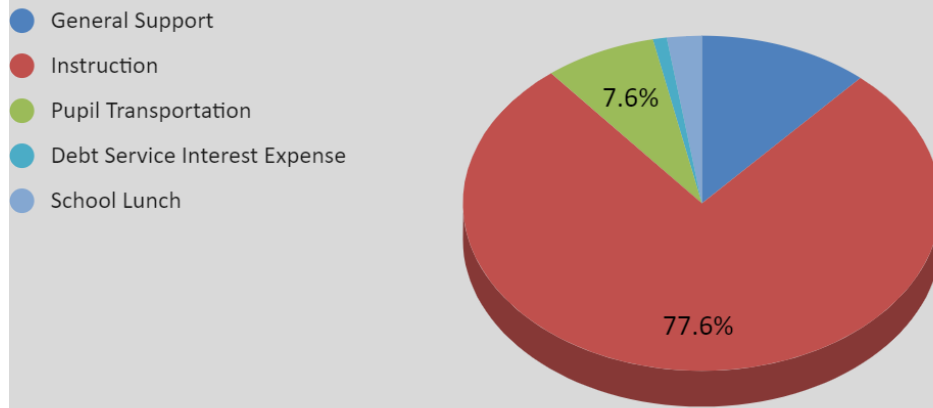
The statement of revenue, expense and changes in net position presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. certain federal/state grants earned but not yet received, unused vacation/sick leave, and proceeds from Revenue Anticipation Notes and related interest).

All of the District's services are reported in the district-wide financial statements as governmental activities, including general support, instruction, pupil transportation, community services, and school lunch. Property taxes, sales tax, state/federal aid, and investment earnings finance most of these activities. Additionally, all capital and debt financing activities are reported here.

The following graphs provide the percentage breakdown of all revenues by source and all expenses by function for the entire District:



District-wide Expenses by Function For the Year Ended June 30, 2022



Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds.

A fund is a grouping of related accounts, and is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The District establishes other funds to control and 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). All of the funds of the District can be divided into two categories; governmental funds, and fiduciary funds.

- ***Governmental funds:*** All of the District's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds, and the balances left at year-end that are available for spending. They are reported using the modified accrual method of accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources available to be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- ***Fiduciary funds:*** The District is the trustee, or *fiduciary*, for assets that belong to others, such as the scholarship fund and the student activities funds. The District is responsible for

ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the districtwide financial statements because it cannot use these assets to finance its operations.

Fund Equity Analysis

The schedule below indicates the fund equity and the total change in fund equity by fund type as of June 30, 2022 and 2021.

<u>Fund</u>	<u>Fund Equity</u>		<u>Variance Increase/ (Decrease)</u>
	<u>2022</u>	<u>2021</u>	
General	\$15,927,514	\$20,813,127	(\$4,885,613)
Special Aid	-	-	-
School Lunch	(1)	(536,526)	536,525.00
Special Revenues	308,600	312,765	(6,165)
Capital	7,989	(1,119,158)	1,127,147
Debt Service	906,428	905,975	453
Totals	<u>\$17,150,530</u>	<u>\$20,376,183</u>	<u>(\$3,227,653)</u>

General Fund

The following tables are provided to illustrate the balance sheet changes within the General Fund for the past three school years.

NISKAYUNA CENTRAL SCHOOL DISTRICT BALANCE SHEETS - GENERAL FUND FOR THE PERIOD JULY 1, 2019 TO JUNE 30, 2022

	Assets	2021-2022	2020-2021	2019-2020
Cash		\$ 45,248,555	\$ 22,560,207	\$ 21,392,565
Other Assets		<u>1,617,538</u>	<u>4,398,603</u>	<u>3,386,889</u>
Total Assets		<u>\$ 46,866,093</u>	<u>\$ 26,958,810</u>	<u>\$ 24,779,454</u>
Liabilities				
Accounts Payable and Accrued Liabilities		\$ 2,995,889	\$ 1,905,117	\$ 2,531,562
Due to Teachers' Retirement System		3,759,349	3,583,418	3,309,816
Due to Employees' Retirement System		191,026	278,928	256,918
Other Liabilities		<u>23,992,315</u>	<u>378,220</u>	<u>34,775</u>
Total Liabilities		<u>30,938,579</u>	<u>6,145,683</u>	<u>6,133,071</u>
Deferred Inflows of Resources		<u>-</u>	<u>-</u>	<u>313,416</u>

Fund Equity (Deficiency)			
Non-spendable	-	-	-
Restricted	9,243,298	13,960,022	10,386,345
Committed	-	-	-
Assigned	2,828,640	3,130,806	4,776,483
Unassigned	<u>3,855,576</u>	<u>3,722,299</u>	<u>3,170,139</u>
Total Fund Equity (Deficiency)	<u>15,927,514</u>	<u>20,813,127</u>	<u>18,332,967</u>
Total Liabilities and Fund Equity (Deficiency)	<u>\$ 46,866,093</u>	<u>\$ 26,958,810</u>	<u>\$ 24,779,454</u>

The following tables are provided to illustrate the major revenue, expenditure and other financing activities of the General Fund.

<u>Revenues</u>	<u>2022</u>	<u>2021</u>	<u>Variance Increase/ (Decrease)</u>
Taxes	\$60,594,479	\$59,815,893	\$778,586
Charges for Services	757,575	480,265	277,310
Sale of Property/Compensation for Loss	74,918	44,354	30,564
Use of Money and Property	584,642	607,438	(22,796)
State/Federal Sources	27,390,627	24,434,251	2,956,376
Other	<u>1,862,790</u>	<u>1,581,738</u>	<u>281,052</u>
Totals	<u>\$91,265,031</u>	<u>\$86,963,939</u>	<u>\$4,301,092</u>

<u>Expenses</u>	<u>2022</u>	<u>2021</u>	<u>Variance Increase/ (Decrease)</u>
General Support	\$8,098,557	\$7,428,738	\$669,819
Instruction	45,170,886	44,339,301	831,585
Pupil Transportation	4,727,376	4,197,735	529,641
Community Service			0
Employee Benefits	19,006,140	17,875,316	1,130,824
Debt Service	10,704,293	10,600,670	103,623
Lease Expense	<u>472,786</u>	<u>0</u>	<u>472,786</u>
Totals	<u>\$88,180,038</u>	<u>\$84,441,760</u>	<u>\$3,738,278</u>

<u>Other Financing Sources (Uses)</u>	<u>2022</u>	<u>2021</u>	<u>Variance Increase/ (Decrease)</u>
Interfund Transfers, net	(\$7,970,606)	(\$42,019)	(\$7,928,587)
Proceeds of Long Term Debt	0	0	0
Proceeds from Advanced Refunding	0	0	0
Payment to Escrow Agent	0	0	0
BANs Redeemed From	0	0	0
Appropriations			
Totals	<u>(\$7,970,606)</u>	<u>(\$42,019)</u>	<u>(\$7,928,587)</u>

General Fund Budget Information

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

The most significant budgeted fund is the General Fund. The budget process begins in October of each school year. Meetings are held with building administrators and curriculum directors along with a series of board meetings and community forums that are open to the public from late February to early April. The process culminates when the statewide school budget vote is held on the Third Tuesday in May of each year.

Capital Assets

The District's capital assets (net of accumulated depreciation) as of June 30, 2022 are as follows:

<u>Asset Description</u>	<u>Net Book Value</u>
Construction in Progress	\$7,152,147
Land	\$895,205
Buildings and Improvements	60,354,731
Machinery and Equipment	4,421,800
Vehicles	3,438,869
Total	<u>\$76,262,752</u>

Indebtedness

The District had outstanding debt in the form of serial and statutory bonds, workers' compensation claims (the District self-insures), and compensated absences required due to contractual obligations. The outstanding debt as of June 30, 2022 is summarized as follows:

Under current state statutes, the District's general obligation bonded debt issues are subject to a legal limitation based on 10% of the average full valuation of taxable real property. At June 30, 2022 the District has exhausted 15.47% of its constitutional debt limit.

<u>Debt Description</u>	<u>Outstanding Balance</u>
Bond Issues, Net of Deferred Amounts on Refundings	\$16,120,102
Unamortized Bond Premiums	427,349
Judgments and Claims	1,229,743
Workers' Compensation	511,141
Compensated Absences	337,416
Other Post-Employment Benefits (OPEB)	153,408,567
Total	<u>\$172,034,318</u>

Factors Impacting the District's Future

Public schools districts in New York State continue to operate under a legislated school tax levy cap which limits the amount of tax revenue that can be raised each year. Tax levy increases are limited to the lesser of two percent or the rate of inflation, subject to exemptions and other adjustments. The tax levy limit impacts the district's ability to raise revenues to support school programs and general operating costs. With a rising rate of inflation, it is anticipated that inflation will exceed the tax levy limit. The district's property tax base is expected to remain relatively stable. Current assessment challenges are anticipated to have a minimal impact on the overall property tax base.

The District's primary revenue sources in the general fund are Real Property Taxes and State Aid. New York State's commitment to fully fund Foundation Aid coupled with the allocation of significant Federal Stimulus funds have stabilized revenues and provided resources to meet program and operational needs. However, the distribution of future Foundation Aid increases in 2023 and beyond is uncertain. Federal Stimulus funds will also begin to drop off during the next several years.

The sustainability of all NYS public schools will continue to be a concern as districts continue to seek alternative solutions to offset rising costs for items such as pension, contracts and health insurance. Going forward, the allocation of State and Federal support to schools remains a critical factor to maintaining the district's financial position. To promote long term financial sustainability, the district continues to explore cost saving measures and engage in long term planning. The school district continually strives to provide the best possible educational program for its students, moderate tax increases for the school community and protect the financial integrity of the District.

Contacting the District's Financial Management

It is the intent of this report 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 funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the following:

Niskayuna Central School District
Assistant Superintendent of Business and Operations
1239 Van Antwerp Road
Niskayuna, New York 12309

NISKAYUNA CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS

Current Assets:	
Cash	\$ 49,292,834
Accounts Receivable	183,428
State and Federal Aid Receivable	4,600,943
Due From Other Governments	885,416
Inventories	29,263
Capital Assets, net	76,262,752
Lease Assets, net	2,493,961
Net Pension Asset, Proportionate Share	37,821,657
Total Assets	<u>171,570,254</u>

DEFERRED OUTFLOWS OF RESOURCES

Amounts Deferred on Defeasance of Debt	1,093,990
Pensions	24,070,348
Other Post-Employment Benefits	30,830,010
Total Deferred Outflows of Resources	<u>55,994,348</u>

Total Assets and Deferred Outflows of Resources	\$ <u>227,564,602</u>
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LIABILITIES

Current Liabilities:	
Accounts Payable	\$ 5,837,768
Accrued Liabilities	1,330,881
Bond Anticipation Notes	26,100,000
Due to Other Governments	151,163
Other Liabilities	65,631
Bond Interest Accrued	116,247
Due to Teachers' Retirement System	3,759,349
Due to Employees' Retirement System	191,026
Refundable Advances	405,536
Long-Term Liabilities - Due and Payable Within One Year	
Bonds	9,959,092
Lease Liabilities	733,045
Unamortized Bond Premiums	278,493
Long-Term Liabilities Due and Payable After One Year	
Bonds	7,255,000
Lease Liabilities	1,660,256
Unamortized Bond Premiums	148,856
Retainage Payable	227,737
Compensated Absences	337,416
Workers' Compensation	511,141
Judgments and Claims	1,229,743
Other Post-Employment Benefits Payable	153,408,567
Total Liabilities	<u>213,706,947</u>

DEFERRED INFLOWS OF RESOURCES

Pensions	46,823,342
Other Post-Employment Benefits	57,061,451
Total Deferred Inflows of Resources	<u>103,884,793</u>

Total Liabilities and Deferred Inflows of Resources	<u>317,591,740</u>
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NET POSITION

Invested in Capital Assets, Net of Related Debt	36,419,697
Restricted Net Position	10,466,315
Unrestricted Net Position (Deficit)	<u>(136,913,150)</u>
Total Net Position	<u>(90,027,138)</u>

Total Liabilities, Deferred Inflows of Resources and Net Position	\$ <u>227,564,602</u>
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See accompanying notes to financial statements.

B1.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

		<u>Program Revenues</u>			<u>Net (Expense)</u>
	<u>Expenses</u>	<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants</u>	<u>Grants</u>	<u>Changes in</u>
					<u>Net Position</u>
FUNCTIONS/PROGRAMS					
General Support	\$ 10,104,373	\$ 49,688	\$ -	\$ -	\$ (10,054,685)
Instruction	67,865,116	707,887	4,138,115	-	(63,019,114)
Pupil Transportation	6,626,925	-	-	-	(6,626,925)
Employee benefits	-	-	-	-	-
Debt service - interest	821,098	-	-	-	(821,098)
Capital Outlay	-	-	-	18,153	18,153
School Lunch Program	2,056,330	104,606	2,352,254	-	400,530
Total Functions and Programs	<u>\$ 87,473,842</u>	<u>\$ 862,181</u>	<u>\$ 6,490,369</u>	<u>\$ 18,153</u>	<u>(80,103,139)</u>
GENERAL REVENUES					
Real property taxes					57,319,827
Other tax items					3,274,652
Use of money and property					585,230
Sale of property and compensation for loss					55,443
State sources					27,002,822
Federal sources					387,805
Miscellaneous					2,232,465
Total General Revenues					<u>90,858,244</u>
Change in Net Position					<u>10,755,105</u>
Total Net Position - Beginning of Year, As Originally Reported					(101,149,841)
Cumulative Effect of Change in Accounting Principle (See Note 10)					<u>367,598</u>
Total Net Position - Beginning of Year, As Restated					<u>(100,782,243)</u>
Total Net Position - End of Year					<u>\$ (90,027,138)</u>

See accompanying notes to financial statements.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General	Special Aid	School Lunch	Special Revenue	Capital Projects	Debt Service	Total Governmental Funds
Assets							
Unrestricted Cash	\$ 35,939,626	\$ 54,881	\$ 20,956	\$ -	\$ -	\$ -	\$ 36,015,463
Restricted Cash	9,308,929	-	-	158,754	2,804,396	1,005,292	13,277,371
State and Federal Receivable, net	572,356	2,831,395	491,433	-	705,759	-	4,600,943
Due From Other Governments	885,416	-	-	-	-	-	885,416
Due From Other Funds	(23,526)	-	-	149,846	26,416,467	-	26,542,787
Accounts Receivable	183,292	-	136	-	-	-	183,428
Inventories	-	-	29,263	-	-	-	29,263
Total Assets	\$ 46,866,093	\$ 2,886,276	\$ 541,788	\$ 308,600	\$ 29,926,622	\$ 1,005,292	\$ 81,534,671
Liabilities							
Accounts Payable	\$ 1,666,142	\$ 80,101	\$ 272,892	\$ -	\$ 3,818,633	\$ -	\$ 5,837,768
Accrued Liabilities	1,329,747	1,134	-	-	-	-	1,330,881
Bond Anticipation Notes	-	-	-	-	26,100,000	-	26,100,000
Due to Other Funds	23,643,570	2,701,807	98,546	-	-	98,864	26,542,787
Due to Other Governments	150,594	332	237	-	-	-	151,163
Due to Teachers' Retirement System	3,759,349	-	-	-	-	-	3,759,349
Due to Employees' Retirement System	191,026	-	-	-	-	-	191,026
Other Liabilities	65,631	-	-	-	-	-	65,631
Refundable Advances	132,520	102,902	170,114	-	-	-	405,536
Total Liabilities	30,938,579	2,886,276	541,789	-	29,918,633	98,864	64,384,141
Fund Equity							
Non-spendable	-	-	29,263	-	-	-	29,263
Restricted	9,243,298	-	-	308,600	7,989	906,428	10,466,315
Assigned	2,828,640	-	-	-	-	-	2,828,640
Unassigned	3,855,576	-	(29,264)	-	-	-	3,826,312
Total Fund Equity	15,927,514	-	(1)	308,600	7,989	906,428	17,150,530
Total Liabilities and Fund Equity	\$ 46,866,093	\$ 2,886,276	\$ 541,788	\$ 308,600	\$ 29,926,622	\$ 1,005,292	\$ 81,534,671

Amounts reported for governmental activities in the statement of net position are different due to the following:

Total governmental fund equity per above	\$ 17,150,530
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	76,262,752
Government funds report the effect of Issuance costs, premiums, discounts and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	666,641
Accrued interest expense is reported under the accrual basis.	(116,247)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(172,700,959)
Net pension asset	37,821,657
Lease Assets, net	2,493,961
Lease Liabilities	(2,393,301)
Retainage Payable	(227,737)
Deferred outflows of resources - Pensions	24,070,348
Deferred outflows of resources - OPEB	30,830,010
Deferred inflows of resources - Pensions	(46,823,342)
Deferred inflows of resources - OPEB	(57,061,451)
Net Position of Governmental Activities	\$ (90,027,138)

NISKAYUNA CENTRAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	<u>General</u>	<u>Special Aid</u>	<u>School Lunch</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
Revenues							
Real Property Taxes and Tax Items	\$ 60,443,791	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,443,791
Nonproperty Taxes	150,688	-	-	-	-	-	150,688
Charges for Services	757,575	-	-	-	-	-	757,575
Use of Money and Property	584,642	-	-	135	-	453	585,230
Sale of Property and Compensation for Loss	74,918	-	-	-	-	-	74,918
Miscellaneous	1,862,790	12,786	8,569	37,198	323,908	-	2,245,251
State Sources	27,002,822	801,373	170,488	-	18,153	-	27,992,836
Federal Sources	387,805	3,323,956	2,181,766	-	-	-	5,893,527
Sales	-	-	104,606	-	-	-	104,606
Total Revenues	<u>91,265,031</u>	<u>4,138,115</u>	<u>2,465,429</u>	<u>37,333</u>	<u>342,061</u>	<u>453</u>	<u>98,248,422</u>
Expenditures							
General Support	8,098,557	450,000	937,384	-	-	-	9,485,941
Instruction	45,170,886	3,357,730	-	41,498	-	-	48,570,114
Pupil Transportation	4,727,376	93,435	-	-	973,252	-	5,794,063
Employee Benefits	19,006,140	352,990	192,507	-	-	-	19,551,637
Debt Service	10,704,293	-	-	-	-	-	10,704,293
Cost of Sales	-	-	926,439	-	-	-	926,439
Lease Expense	472,786	-	-	-	-	-	472,786
Capital Outlay	-	-	-	-	9,056,952	-	9,056,952
Total Expenditures	<u>88,180,038</u>	<u>4,254,155</u>	<u>2,056,330</u>	<u>41,498</u>	<u>10,030,204</u>	<u>-</u>	<u>104,562,225</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,084,993</u>	<u>(116,040)</u>	<u>409,099</u>	<u>(4,165)</u>	<u>(9,688,143)</u>	<u>453</u>	<u>(6,313,803)</u>
Other Financing Sources And (Uses)							
Interfund Transfers in	-	116,040	127,426	-	7,727,140	-	7,970,606
Interfund Transfers (out)	(7,970,606)	-	-	-	-	-	(7,970,606)
Proceeds of Long Term Debt	-	-	-	-	974,092	-	974,092
Premium on bonds	-	-	-	-	-	-	-
Proceeds from Advanced Refunding	-	-	-	-	-	-	-
Proceeds of Leases	-	-	-	-	2,114,058	-	2,114,058
Payment to Escrow Agent	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(7,970,606)</u>	<u>116,040</u>	<u>127,426</u>	<u>-</u>	<u>10,815,290</u>	<u>-</u>	<u>3,088,150</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	<u>(4,885,613)</u>	<u>-</u>	<u>536,525</u>	<u>(4,165)</u>	<u>1,127,147</u>	<u>453</u>	<u>(3,225,653)</u>
Fund Equity, Beginning of Year	<u>20,813,127</u>	<u>-</u>	<u>(536,526)</u>	<u>312,765</u>	<u>(1,119,158)</u>	<u>905,975</u>	<u>20,376,183</u>
Fund Equity, End of Year	<u>\$ 15,927,514</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 308,600</u>	<u>\$ 7,989</u>	<u>\$ 906,428</u>	<u>\$ 17,150,530</u>

**NISKAYUNA CENTRAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND EQUITY OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Net changes in fund balance - total governmental funds \$ (3,225,653)

Capital outlays for the purchase of capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their useful lives as depreciation expense in the statement of activities.

Depreciation expense	\$ (5,313,254)	
Capital outlays (excluding retainage)	8,233,808	2,920,554

Outlays for the acquisition of leased assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their useful lives as amortization expense in the statement of activities.

Amortization expense	\$ (717,154)	
Lease expenditures	2,117,608	1,400,454

The net book value, cost less accumulated depreciation, of capital assets disposed of are removed from the statement of net assets. Any gain or loss resulting is recorded in the statement of activities. (19,475)

Interest is recognized as an expense in the governmental funds when paid. For governmental activities, interest expense is recognized as it accrues. 65,193

Proceeds of serial bond principal and bond premiums are revenue in governmental funds, but proceeds increase long-term liabilities in the statement of net position. (974,092)

Repayments of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 9,765,800

Lease proceeds are revenue in governmental funds but increase long-term liabilities in the statement of net position. (2,114,058)

Lease principal payments are expenditures in governmental funds but are recorded as payments of liabilities in the statement of net position 446,666

Amortization of issuance costs and loss on refunding bonds (378,643)

Amortization of bond premiums 456,965

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

Other Post-Employment Benefits	(4,245,870)	
Compensated Absences	39,796	
Workers' Compensation	(129,723)	
Judgments and Claims	195,878	
Adjustments for Net Pension Asset - ERS	828,845	
Adjustments for Net Pension Asset - TRS	5,722,468	

Change in net position - governmental activities \$ 10,755,105

See accompanying notes to financial statements.

B5.

NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Niskayuna Central 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 and its component unit. 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 review of an entity included in the District's reporting entity.

The Extraclassroom Activity Fund

The extraclassroom activity fund of the District represents 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 fund can be found at the District's business office, located at 1239 Van Antwerp Road, Niskayuna, New York 12309. The District adopted provisions of GASB Statement No. 84, *Fiduciary Activities*. As a result of applying this guidance and due to the administrative involvement defined in paragraph 8b footnote 1 to GASB84, the District accounts for the student organization funds within the general fund.

NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Joint Venture

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

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

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

During the year ended June 30, 2022, the District was billed \$6,702,470 for BOCES administrative and program costs. The District's share of BOCES Aid amounted to \$1,864,030. Financial statements for the BOCES are available from the BOCES administrative office.

C. Basis of Presentation

District-wide statements

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

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 the particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for 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.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis of Presentation

District-wide statements

Employee benefits expense charged to government functions as follows:

General Support	\$ 1,367,828
Instruction	14,664,446
Pupil Transportation	<u>915,462</u>
Total	<u>\$16,947,736</u>

Fund financial statements

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

The District reports the following major governmental funds:

1. General Fund

The General Fund is the principal operating fund and is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of special revenue sources that are legally restricted to expenditure for specified purposes. Special revenue funds include the following funds:

a. Special Aid Fund

Used to account for special operating projects or programs supported in whole, or in part, with Federal funds or State grants.

b. School Lunch Fund

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

c. Special Revenue Fund

Used to account for revenues legally restricted to expenditure for specified purposes such as scholarships.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis of Presentation

District-wide statements

3. Capital Projects Fund

The Capital Projects Fund is used to account for and report financial resources to be used for the acquisition, construction or renovation of major capital facilities, or equipment.

4. Debt Service Fund

The Debt Service Fund is used to account for and report the accumulation of resources to be used for the redemption of principal and interest of long-term debt.

Other Fund Type:

Fiduciary 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.

There are two classes of fiduciary funds:

a. Private Purpose Trust Funds

These funds are used to account for trust arrangements under which principal and income benefits individuals, private organizations or other governments. 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.

b. Custodial Funds

These funds are strictly custodial in nature and do not involve the measurement of results of operations.

There are no activities that meet the criteria to be reported as fiduciary funds.

D. Basis of Accounting/Measurement Focus

General Information

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

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Basis of Accounting/Measurement Focus

General Information

when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year, except for real property taxes, which are considered to be available when levied. The District selected the one-year time frame to match the time frame the related liabilities will be liquidated.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences, post-employment benefits and pensions 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. Refundable Advances

Refundable advances arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for refundable advances is removed and revenue is recognized.

F. Property Taxes

I. Calendar

Real property taxes are levied annually by the Board of Education no later than September 1, and became a lien on August 17, 2021. Taxes were collected during the period September 1 through October 31, 2021.

II. Enforcement

Uncollected real property taxes are enforced by the Counties of Schenectady, Albany and Saratoga, in which the District is located. An amount representing uncollected real property taxes transmitted to the Counties for enforcement is paid by the counties to the District no later than the forthcoming April 1.

NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

G. Budgetary Procedures and Budgetary Accounting

I. Budget Policies

1. The budget policies are as follows:

- a. The District administration prepares a proposed budget for approval by the Board of Education for the General Fund.
- b. The proposed appropriation budget for the General Fund is approved by the voters within the District.
- c. Appropriations are adopted at the program line item level.
- d. Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the fiscal year end unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources now included in 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.

The following supplemental appropriations occurred during the year:

From Appropriated Reserves:	
Capital	\$ 7,727,140
Tax certiorari	<u>36,139</u>
Total Supplemental Appropriations	<u>\$ 7,763,279</u>

- e. 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.
- f. 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.

II. 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 reservations of fund balance and do not represent expenditures or liabilities. These

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

G. Budgetary Procedures and Budgetary Accounting

II. Encumbrances

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.

III. Budget Basis of Accounting

Under GASBS No. 34, budgetary comparison information is required to be presented for the General Fund and each major special revenue fund with a legally adopted budget. The District is not legally required to adopt a budget for its special revenue funds. Therefore, budget comparison information for special revenue funds is not included in the District's financial statements.

H. Cash and Investments

The District investment policies are governed by New York State statutes. District monies must be deposited in FDIC insured commercial banks or trust companies located within the State. The Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. 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 Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts. Investments, if any, are stated at fair value.

I. Accounts Receivable

Accounts receivable are shown net, of an allowance for amounts estimated to be uncollectible. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

J. Inventories and Prepaid Items

Inventories of food and/or supplies in the School Lunch Fund are recorded at cost using the 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.

NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

J. Inventories and Prepaid Items

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

K. Interfund Transactions

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowing. 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 4.A.II for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

L. Short Term Debt

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.

M. Equity Classifications

District-wide statements:

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

Invested in capital assets, net of related debt - consists of net capital assets reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets.

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

NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

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

Fund statements:

In the fund statements there are five classifications of fund equity:

Non-spendable - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund equity includes inventory recorded in the School Lunch Fund of \$29,263.

Restricted - includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General Fund are classified as restricted fund equity. The District has established the following restricted fund equity:

Employee Benefit Accrued Liability

According to General Municipal Law §6-p, this reserve is used to reserve funds for the payment of accrued employee benefits due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.

Insurance

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

Capital Reserve

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

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Retirement Contributions

According to General Municipal Law §6-r, this reserve must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This reserve is established by Board resolution and is funded by budgetary appropriation and such other reserve funds that may be legally appropriated. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. A Board may adopt a resolution establishing sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payments into the sub-fund up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §3651. The portion of the reserve set aside for the Employee's Retirement System is \$500,000 and for the Teacher's Retirement System is \$2,108,754.

Tax Certiorari

According to Education Law §3651.1-a, this reserve 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.

Unemployment Insurance

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

Workers' Compensation

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

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Special Revenue Fund

Restricted for scholarships for students that meet donor specified criteria.

Debt Service Fund

Used to account for the unspent proceeds of debt restricted for debt service, and earnings thereon.

Restricted fund equity includes the following:

General Fund:	
Capital Reserve	\$ 3,884,429
Employee Benefit Accrued Liability	377,622
Insurance	254,500
Retirement Contributions - ERS	500,000
Retirement Contributions - TRS	2,108,754
Tax Certiorari	1,389,482
Unemployment Insurance	228,511
Workers' Compensation	500,000
Special Revenue Fund	308,600
Capital Projects Fund	7,989
Debt Service Fund	906,428
Total Restricted Funds	<u>\$ 10,466,315</u>

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

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 equity represents the residual amount of fund equity. Assigned fund equity 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. All encumbrances of the General Fund are classified as Assigned Fund equity in the General Fund. Encumbrances reported in the General Fund amounted to \$301,037. Appropriated fund equity in the General Fund is \$2,527,603. The remaining fund equities in other funds is also reported as assigned.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Reserve for Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments of expenditures are recorded for budgetary control purposes in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations.

Purpose of Encumbrances:

General Fund:	
General Support	\$ 46,085
Instruction	<u>254,952</u>
	<u>\$ 301,037</u>

Unassigned - includes all other General Fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the District. In the other governmental funds, however, if a government spends more on a specific purpose than the resources available for that purpose in the fund, then it may need to report a negative amount as unassigned fund equity. If a government cannot cover the deficit with amounts assigned to other purposes in that fund, then the remaining deficit should be reported on the unassigned fund equity line.

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the District's budget for the General Fund for the ensuing fiscal year. 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. The District did not exceed the 4% limitation at June 30, 2022.

Net Position/Fund Equity

Net Position Flow Assumption: Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the District-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

Fund Equity Flow Assumption: Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total committed, assigned, and unassigned fund equity). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund equity in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Order of Use of Fund Equity:

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

N. Postemployment Benefits

The District provides retirement benefits for substantially all its regular full-time teachers and its part-time teachers who elect to participate, through contributions to the New York State Teachers Retirement System (TRS). The System provides various plans and options, some of which require employee contributions.

The District provides postemployment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contract negotiated between the District and its employee groups. Substantially all of these employees may become eligible for these benefits if they reach normal retirement age while working for the District. See Note 6.

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

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

P. Capital Assets and Lease Assets

Capital Assets

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

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:

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

P. Capital Assets and Lease Assets

	Capitalization Threshold	Depreciation Method	Estimated Useful Life in Years
Buildings	\$ 1,000	SL	15-50
Land improvements	1,000	SL	20
Machinery and equipment	1,000	SL	5-25
Vehicles	1,000	SL	8

Lease Assets

The District-wide financial statements, lease assets are reported within the major class of the underlying asset and valued at the future minimum lease payment. Amortization is 5 years based on the contract terms and/or estimated replacement of the assets.

Q. 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 so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has four items that qualify for reporting in this category. First is the deferred charge on refunding reported in the Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The third item is the District contributions to the pension systems (TRS and ERS Systems) and OPEB subsequent to the measurement date. The fourth item relates to the OPEB reporting in the District wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience and changes in assumptions.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and 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 first item is related to pensions reported in the District-wide Statement of Net Position. This represents the effect of the net change in the District's proportionate share of the collective net pension liability (TRS and ERS System) and difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second item is related to the OPEB reported in the District-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

R. Use of Estimates

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

Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of compensated absences, potential contingent liabilities, other post-employment benefits, actuarial calculation of net pension asset/liability, deferred inflows/outflows, and useful lives of long-term assets.

S. 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.

T. Vested Employee Benefits

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

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Sick leave use is based on a last-in, first-out (LIFO) basis. Upon retirement, resignation, or death, employees may receive a payment based on unused accumulated sick leave, based on contractual provisions.

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

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

U. New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2022, the District implemented the following new standard issued by GASB.

GASB has issued Statement 87, *Leases*, effective for the year ending June 30, 2022. See Note 10.

NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

U. New Accounting Standards

GASB has issued Statement 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, effective for the year ending June 30, 2022. This statement had no impact on the District.

GASB has issued Statement 92, *Omnibus 2020*, effective for the year ending June 30, 2022. This statement had no impact on the District.

GASB has issued Statement 93, *Replacement of Interbank Offered Rates*, effective for the year ending June 30, 2022. This statement had no impact on the District.

GASB issued Statement 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, effective for the year ending June 30, 2022. This statement had no impact on the District.

GASB issued Statement 96, *Subscription-Based Information Technology Arrangements*, effective for the year ending June 30, 2023. This standard was implemented early as permitted. See Note 10.

GASB has issued Statement 98, *The Annual Comprehensive Financial Report*, effective for the year ending June 30, 2022. This statement had no impact on the District.

V. Future Changes in Accounting Standards

GASB has issued Statement 91, *Conduit Debt Obligations*, effective for the year ending June 30, 2023.

GASB has issued Statement 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the year ending June 30, 2023.

GASB has issued Statement 99, *Omnibus 2022*, effective for the year ending June 30, 2023.

GASB has issued Statement 100, *Accounting Changes and Error Corrections*, effective for the year ending June 30, 2024.

GASB has issued Statement 101, *Compensated Absences*, effective for the year ending June 30, 2025.

The District is still evaluating the effect these accounting standards will have on the District's future financial statements and will implement them as applicable and when material.

NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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.

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

Total fund equity of the District's governmental funds differed 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.

Statement of Revenues, Expenditures, and Changes in Fund Equity vs. Statement of Activities

Differences between the governmental funds statement of revenues, expenditures, and changes in fund equity and the statement of activities fall into one of five categories. The differences represent:

Long-Term Revenue and Expense Differences

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

Capital Related Differences

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

Long-Term Debt Transaction Differences

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

Pension Differences

Pension differences occur as a result of changes in the 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.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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

Statement of Revenues, Expenditures, and Changes in Fund Equity vs. Statement of Activities

OPEB Differences

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

3. STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY

A. Deficit Fund Equity

There was a deficit fund equity in the School Lunch Fund of \$1 for the year ended June 30, 2022. The District has budgeted for transfers into the Fund to subsidize operations and eliminate the deficit.

4. DETAIL NOTES ON ALL FUNDS

A. Assets

I. Cash

Deposits

Deposits are valued at cost or cost plus interest and are categorized as either (1) insured, or for which the securities are held by the District's agent in the District's name, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the District's name, or (3) uncollateralized. At June 30, 2022 all deposits were fully insured and collateralized by the District's agent in the District's name.

Investment and Deposit Policy

The District follows an investment and deposit policy, overall the objective of which is to adequately safeguard the principal amounts of funds invested or deposited; conformance with Federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Business Administrator of the District.

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The District's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The District's investment and deposit policy authorizes the District to purchase the following types of investments:

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

4. DETAIL NOTES ON ALL FUNDS

A. Assets

I. Cash

- Interest Bearing Demand Accounts
- Certificates of deposit
- Obligations of the United States Treasury and United States agencies
- Obligations of New York State and its localities

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the District's investment and deposit policy, all deposits of the District including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits. The District restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and the United States agencies
- Obligations issued or fully insured or guaranteed by New York State and its localities
- Obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization

Restricted Cash

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 at year-end consists of the following:

<u>Fund</u>	<u>Amount</u>	<u>Restriction</u>
General Fund	\$ 500,000	Workers' Compensation Reserve
	228,511	Unemployment Insurance Reserve
	377,622	Reserve for Employee Benefit Accrued Liability
	500,000	ERS Reserve
	2,108,754	TRS Reserve
	3,884,429	Capital Reserve
	254,500	Insurance Reserve
	1,389,482	Tax Certiorari Reserve
	65,631	Extraclassroom Activity Funds
Total General Fund	<u>\$ 9,308,929</u>	
Debt Service Fund	<u>\$ 1,005,292</u>	Debt Service Payments
Special Revenue Fund	<u>\$ 158,754</u>	Scholarships and Memorials
Capital Projects Fund	<u>\$ 2,804,396</u>	Voter Approved Projects

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

4. DETAIL NOTES ON ALL FUNDS

A. Assets

II. Interfund Transactions

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Interfund transactions and balances at June 30, 2022 are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Interfund Revenues</u>	<u>Interfund Expenditures</u>
General Fund	\$ -	\$23,667,096	\$ -	\$ 7,970,606
Special Aid Fund	-	2,701,807	116,040	-
School Lunch Fund	-	98,546	127,426	-
Debt Service Fund	-	98,864	-	-
Special Revenue Fund	149,846	-	-	-
Capital Projects Fund	<u>26,416,467</u>	<u>-</u>	<u>7,727,140</u>	<u>-</u>
Total Governmental Activities	<u>\$26,566,313</u>	<u>\$26,566,313</u>	<u>\$ 7,970,606</u>	<u>\$ 7,970,606</u>

The General Fund transfer to the Special Aid Fund is for the District's share of special education summer school programs its students attended. The General Fund transfer to the School Lunch Fund is for amounts to cover the fund's deficit. The General Fund transfer to the Capital Fund is for unexpended local funds.

NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

4. DETAIL NOTES ON ALL FUNDS

A. Assets

III. Capital Assets

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

	<u>Balance 7/1/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2022</u>
Governmental Activities				
Capital assets that are not depreciated:				
Construction in progress	\$ -	\$ 7,152,147	\$ -	\$ 7,152,147
Land	<u>895,205</u>	<u>-</u>	<u>-</u>	<u>895,205</u>
Total Non-depreciable Capital Assets	<u>895,205</u>	<u>7,152,146</u>	<u>-</u>	<u>8,047,352</u>
Capital assets that are depreciated:				
Buildings and improvements	126,442,660	-	-	126,442,660
Vehicles	10,555,155	978,251	938,382	10,595,024
Machinery and equipment	<u>12,525,643</u>	<u>331,147</u>	<u>143,161</u>	<u>12,713,629</u>
Total Depreciable Capital Assets	<u>149,523,458</u>	<u>1,309,398</u>	<u>1,081,543</u>	<u>149,751,313</u>
Less accumulated depreciation:				
Buildings and improvements	62,109,300	3,978,629	-	66,087,929
Vehicles	7,308,162	786,375	938,382	7,156,155
Machinery and equipment	<u>7,867,265</u>	<u>548,250</u>	<u>123,686</u>	<u>8,291,829</u>
Total Accumulated Depreciation	<u>77,284,727</u>	<u>5,313,254</u>	<u>1,062,068</u>	<u>81,535,913</u>
Total Capital Assets, Net	<u>\$ 73,133,936</u>	<u>\$ 3,148,290</u>	<u>\$ 19,475</u>	<u>\$ 76,262,752</u>

Depreciation expense charged to governmental functions as follows:

General Support	\$ 187,988
Instruction	4,229,616
Pupil Transportation	<u>895,650</u>
Total	<u>\$ 5,313,254</u>

B. Liabilities

I. Pension Plans

General Information

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

NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

4. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Plan Descriptions

Teachers' Retirement System

The TRS is administered by the New York State Teachers' Retirement Board. The System provides retirement benefits as well as death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The system is governed by a 10 member Board of Trustees. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in the New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The New York State TRS issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report and additional information may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSSTR Comprehensive Annual Financial report which can be found on the System's website at www.nysstrs.org.

Plan Descriptions

Employees' Retirement System

The New York State and Local Employees' Retirement System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (The Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). Once a public employer elects to participate in the 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. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report and additional information may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244-0001 or found at www.osc.state.ny.us/retire/publications/index.php.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

4. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Contributions

The Systems are noncontributory except for employees who joined after July 27, 1976 who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for TRS.

Contributions

The District is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were:

	<u>ERS</u>		<u>TRS</u>
2021-22	\$ 1,009,186	\$	3,355,945
2020-21	977,868		3,107,240
2019-20	978,833		3,556,399

The District contributions made to the Systems were equal to 100 percent of the contributions required for each year.

Pension Liabilities

At June 30, 2022, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2022 for ERS and June 30, 2021 for TRS. The total net pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation as of April 1, 2021 for ERS and June 30, 2020 for TRS. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	<u>ERS</u>	<u>TRS</u>
Actuarial valuation date	April 1, 2021	June 30, 2020
Net pension asset/(liability)	\$1,868,870	\$35,952,787
District's portion of the Plan's		
Total net pension asset/(liability)	.0228620%	.207471%

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

4. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Pension Expense (Credit)

For the year ended June 30, 2022, the District recognized its proportionate share of pension expense of \$84,526 for ERS and \$(2,060,150) for TRS.

Deferred Outflows and Inflows of Resources Related to Pensions

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

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experiences	\$ 141,532	\$ 4,955,710	\$ 183,575	\$ 186,790
Changes in assumptions	3,118,935	11,825,623	52,629	2,094,144
Net difference between projected and actual earnings on pension plan investments	-	-	6,119,767	37,628,311
Changes in proportion and differences between contributions and proportionate share of contributions	50,808	27,365	99,812	458,314
Contributions subsequent to the measurement date	<u>191,026</u>	<u>3,759,349</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 3,502,301</u>	<u>\$ 20,568,047</u>	<u>\$ 6,455,783</u>	<u>\$40,367,559</u>

NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

4. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Pension Expense (Credit)

District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension (liability)/asset in the year ended March 31, 2023 for ERS and June 30, 2022 for TRS. Other amounts reported as deferred outflows of resources, and deferred inflows of resources related to pensions will be recognized within pension expense as follows:

<u>Year ended:</u>	<u>ERS</u>	<u>TRS</u>
2022	\$ -	\$ (4,768,654)
2023	(477,970)	(5,540,883)
2024	(706,916)	(6,946,359)
2025	(1,614,301)	(9,140,853)
2026	(345,321)	1,648,707
Thereafter	-	1,189,181

Actuarial Assumptions

The total pension (liability)/asset as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension (liability)/asset to the measurement date. The actuarial valuation used the following actuarial assumptions:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2022	June 30, 2021
Actuarial valuation date	April 1, 2021	June 30, 2020
Interest Rate	5.9%	6.95%
Salary Scale	4.4%	1.95% - 5.18%
Decrement tables	April 1, 2015 - March 31, 2020	July 1, 2015 - June 30, 2020
	System's Experience	System's Experience
Inflation rate	2.7%	2.40%
Projected Cost of Living Adjustments	1.4% annually	1.3% annually

NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

4. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Actuarial Assumptions

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

For ERS, the actuarial assumptions used in the April 1, 2021 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2015 - June 30, 2020.

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

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of the measurement date are summarized below:

<u>ERS</u>	<u>Target Allocation 2022</u>	<u>Long-term expected Real rate of return* 2022</u>
Asset Class:		
Domestic equity	32%	3.30%
International equity	15	5.85
Private equity	10	6.50
Real estate	9	5.00
Opportunistic portfolio/ARS	3	4.10
Credit	4	3.78
Real assets	3	5.80
Fixed Income	23	0.00
Cash	<u>1</u>	(1.00)
Total	<u>100%</u>	

* Real rates of return are net of the long-term inflation assumption of 2.50% for 2022.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

4. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Actuarial Assumptions

<u>TRS</u>	<u>Target Allocation 2021</u>	<u>Long-term expected Real rate of return* 2021</u>
Asset Class:		
Domestic equity	33%	6.8%
International equity	16	7.6
Global equity	4	7.1
Real estate equity	11	6.5
Private equity	8	10.0
Domestic fixed income	16	1.3
Global bonds	2	0.8
High-yield bonds	1	3.8
Private debt	1	5.9
Real estate debt	7	3.3
Cash equivalents	<u>1</u>	(0.2)
Total	<u>100%</u>	

* Real rates of return are net of the long-term inflation assumption of 2.40% for 2021.

Discount Rate

The discount rate used to calculate the total pension asset/(liability) was 5.9% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon 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 asset/(liability).

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

The following presents the District's proportionate share of the net pension asset/(liability) calculated using the discount rate of 5.9% for ERS and 6.95% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is one percentage point lower (4.9% for ERS and 5.95% for TRS) or one percentage point higher (6.9% for ERS and 7.95% for TRS) than the current rate:

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

4. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

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

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
ERS			
Employer's proportionate share of the net pension asset/(liability)	\$ (4,810,452)	\$ 1,868,870	\$ 7,455,801
	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
TRS			
Employer's proportionate share of the net pension asset/(liability)	\$ 3,772,721	\$35,952,787	\$ 62,997,797

Changes of Assumptions

Changes of assumptions about future economic or demographic factors or other inputs are amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits for the period during which the changes occurred. Differences between projected and actual earnings in pension plan investments are amortized over a closed five-year period.

Collective Pension Expense

Collective pension expense includes certain current period changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense for the year ended June 30, 2022 is \$92,433 for ERS and \$(2,188,745) for TRS.

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2022 represent the projected employer contribution for the period of April 1, 2022 through June 30, 2022 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2022 amounted to \$191,026.

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

NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

4. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

reported to the TRS System. Accrued retirement contributions as of June 30, 2022 amounted to \$3,759,349.

Other Benefits

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

II. Indebtedness

1. Short-Term Debt

Bond Anticipation Notes

Notes issued in anticipation of proceeds from the subsequent sale of bonds are recorded as a current liability of the fund that will actually receive the proceeds from the issuance of the bonds. State law requires that bond anticipation notes issued for capital purposes be converted to long-term financing within five years after the original issue date.

Changes in Short-term Debt

	<u>Balance July 1</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance June 30</u>
BAN, interest 4.0%				
Maturity 6/29/23	\$ <u>-</u>	<u>\$26,100,000</u>	\$ <u>-</u>	<u>\$26,100,000</u>

No interest has been accrued for this BAN due to issuance date of 6/29/22.

2. Long-Term Debt

a. Serial Bonds

The District borrows money in order to acquire or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the District. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

4. DETAIL NOTES ON ALL FUNDS

B. Liabilities

II. Indebtedness

2. Long Term Debt

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

Interest paid (excluding lease interest)	\$ 938,493
Less interest accrued in the prior year	(181,440)
Plus current year accrued interest	116,247
Amortization of deferrals on advanced refundings	378,643
Amortization of premiums	<u>(456,965)</u>
Total Expense	<u>\$ 794,978</u>

Lease interest expense amounted to \$26,120.

b. Prior Year Defeasance

On October 22, 2014, June 15, 2016 and April 13, 2021, the District defeased serial bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2022, \$18.64 million of the 2014 bonds, \$1.6 million of the 2016 bonds, and \$1.445 million of the 2021 bonds outstanding are considered defeased.

c. Other Long-Term Debt

In addition to the above long-term debt, the District had the following noncurrent liabilities:

Compensated Absences - Represent the value of the earned and unused portion of the liability for employees' vacation and sick pay which has not been accrued in the General Fund.

Workers' Compensation - Represents the estimate of the District's share of unpaid workers' compensation claims and administrative costs due.

Judgments and Claims - The noncurrent portion of the estimated liability for various legal actions taken against the District.

Other Post-employment Benefits - Represents the net liability for other post-employment benefits calculated in accordance with GASB 75 (See Note 6).

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

4. DETAIL NOTES ON ALL FUNDS

B. Liabilities

II. Indebtedness

3. Changes

The changes in the District's indebtedness during the year ended June 30, 2022 are summarized as follows:

	As Restated Balance <u>7/1/2021</u>	New Issues/ Additions	Maturities/ Payments	Balance <u>6/30/2022</u>
<u>General Long-Term Debt:</u>				
Bonds Payable	\$ 26,005,800	\$ 974,092	\$ 9,765,800	\$ 17,214,092
Less: Deferred Amounts on Refunding	<u>(1,472,633)</u>	<u>-</u>	<u>(378,643)</u>	<u>(1,093,990)</u>
	24,533,167	974,092	9,387,157	16,120,102
Unamortized Bond Premium	884,314	-	456,965	427,349
Judgments and Claims	1,425,621	938,651	1,134,530	1,229,743
Lease Liabilities	725,909	2,114,058	446,666	2,393,301
Workers' Compensation	381,418	129,723	-	511,141
Compensated Absences	377,212	-	39,796	337,416
Other Postemployment Benefits	<u>188,034,576</u>	<u>-</u>	<u>34,626,009</u>	<u>153,408,567</u>
Total General Long-Term Debt	<u>\$ 216,362,217</u>	<u>\$ 4,156,524</u>	<u>\$ 46,091,123</u>	<u>\$ 174,427,619</u>

Additions and deletions to compensated absences and workers' compensation are shown net since it is impractical to determine these amounts separately.

4. Maturity

The following is a summary of maturity of indebtedness:

<u>Description of Issue</u>	<u>Issue Date</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>6/30/2022</u>
<u>Serial Bonds:</u>				
Bus Garage Advanced Refunding	2021	2028	1.50 - 4.00%	\$ 1,405,000
Renovations - Advanced Refunding	2014	2024	2.00 - 4.50%	10,680,000
Renovations - Advanced Refunding	2016	2024	1.00 - 4.00%	1,325,000
Finance School Buses	2021	2025	0.75%	725,000
Finance School Buses	2018	2023	2.00 - 2.50%	210,000
Renovation	2019	2029	4.00%	1,405,000
Finance School Buses	2019	2024	0.5 - 2.37%	490,000
Finance School Buses	2021	2026	1.00%	<u>974,092</u>
				<u>\$17,214,092</u>

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

4. DETAIL NOTES ON ALL FUNDS

B. Liabilities

II. Indebtedness

4. Maturity

The following is a summary of maturing debt service requirements for bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Premium</u>	<u>Total</u>
2023	\$ 9,959,092	\$ 594,559	\$ 278,493	\$ 10,832,144
2024	5,400,000	243,381	97,585	5,740,966
2025	765,000	40,012	19,474	824,486
2026	520,000	30,513	14,960	565,473
2027	260,000	22,800	10,362	293,162
Thereafter	310,000	6,800	6,475	323,275
Total	<u>\$ 17,214,092</u>	<u>\$ 938,065</u>	<u>\$ 427,349</u>	<u>\$ 18,579,506</u>

The District has authorized but unissued debt in the amount of \$970,000 for bus purchases.

5. Constitutional Debt Limit

The constitution of the State of New York limits the amount of indebtedness which may be issued by the District. Basically, the District may issue indebtedness to the extent that the aggregate outstanding debt issues which are subject to such limit do not exceed 10% of the average full valuation of taxable real estate within such District. At June 30, 2022 the District has exhausted 15.47% of its constitutional debt limit.

III. Self-Insurance

Workers' Compensation Insurance

The District is self-insured for workers' compensation benefits on a cost-reimbursement basis. Under the program, the District is responsible for claim payments. All known claims filed and an estimate of all incurred but unreported claims existing at June 30, 2022 have been recorded as accrued workers' compensation on the Statement of Net Position.

Health and Dental Insurance

The District is self-insured for health insurance benefits, on a cost-reimbursement basis. Under the program, the District is responsible for claim payments. Empire HealthChoice Assurance, Inc. is the third-party claims administrator for the District's health plan. The cost of medical care is paid out of employee and employer contributions and is held in a separate bank account. The District pays the medical claims and related administrative fees on a monthly basis by funding the separate bank account. The total cash in the account amounted to \$-0- at June 30, 2022. The District estimates the liability for unpaid health insurance claims to be \$951,475 at June 30, 2022.

The District self-funds the health insurance plan, but has purchased both aggregate and specific stop loss coverage from HM Life Insurance Company of New York. The aggregate insurance provides full coverage for aggregate claims in excess of 125% of expected claims.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

4. DETAIL NOTES ON ALL FUNDS

B. Liabilities

III. Self-Insurance

The specific stop loss insurance assumes the risk for claims on any individual in excess of \$225,000 paid during a calendar year.

Health and Dental Insurance

The District is self-insured for dental insurance benefits on a cost-reimbursement basis. Under the program, the District is responsible for claim payments. Delta Dental of New York is the third party claims administrator for the District's dental plan. The cost of dental care is paid out of employee and employer contributions. The District pays the dental claims and related administrative fees on a monthly basis by wiring funds to Delta Dental. The District estimates the liability for unpaid dental insurance claims to be \$53,395 for the year ended June 30, 2022. The District has not purchased stop loss insurance on the self-funded dental plan. The District's maximum liability is limited to the annual dental allowance per covered individual, which is \$1,500 per covered individual at June 30, 2022.

All known claims filed and an estimate of all incurred but unreported claims existing at June 30, 2022 pertaining to both health and dental insurance have been recorded as accrued liabilities.

The District establishes health and dental claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claims frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to the liability in the periods in which they are made.

As discussed above, the District establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. Unpaid claims are included with accrued liabilities in the General Fund. The following represents changes in those aggregate liabilities for the District during the past two years:

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

4. DETAIL NOTES ON ALL FUNDS

B. Liabilities

III. Self-Insurance

	<u>2022</u>	<u>2021</u>
Unpaid claims and claim adjustment expenses at beginning of year	\$ 1,129,060	\$ 1,377,406
Incurred claims and claim adjustment expenses:		
Provision for incurred claims expenditures for events for the current year	11,198,154	9,823,683
Increase (decrease) in provision for incurred events of prior years	<u>-</u>	<u>-</u>
Total incurred claims and claim adjustment expenses	12,327,214	11,201,089
Payments made for claims during the current year	<u>(11,322,344)</u>	<u>(10,072,029)</u>
Total unpaid claims and claim adjustment expenses at end of year	<u>\$ 1,004,870</u>	<u>\$ 1,129,060</u>

Workers' Compensation Insurance

The District establishes workers' compensation claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claims frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to the liability in the periods in which they are made.

As discussed above, the District establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represents changes in those aggregate liabilities for the District during the past two years:

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

4. DETAIL NOTES ON ALL FUNDS

B. Liabilities

III. Self-Insurance

Workers' Compensation Insurance

	<u>2022</u>	<u>2021</u>
Unpaid claims and claim adjustment expenses at beginning of year	\$ 381,418	\$ 337,367
Incurred claims and claim adjustment expenses:		
Provision for incurred claims expenditures for events for the current year	309,822	201,157
Increase (decrease) in provision for incurred events of prior years	<u>106,093</u>	<u>40,840</u>
Total incurred claims and claim adjustment expenses	797,333	579,364
Payments made for claims during the current year	<u>(286,192)</u>	<u>(197,946)</u>
Total unpaid claims and claim adjustment expenses at end of year	<u><u>\$ 511,141</u></u>	<u><u>\$ 381,418</u></u>

IV. Deferred Inflows of Resources

Deferred inflows of resources on the balance sheet - governmental funds arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current periods and is contingent on future outcomes not expected to occur within the availability period.

5. COMMITMENTS AND CONTINGENCIES

A. Litigation

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

B. Federal and State Grants

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

C. Risk Financing and Related Insurance

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

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

6. OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS PAYABLE

Plan Description

The District administers the post-employment benefits as a single-employer defined benefit plan (the Plan), through which retirees and their spouses receive benefits. The Plan provides for continuation of medical and/or dental/vision benefits for certain retirees and their survivors and can be amended by action of the District subject to applicable collective bargaining and employment agreements. The Plan does not issue a separate financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

Funding Policy

The obligations of the Plan members, employers and other contributing entities are established by action of the District pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreement. Employees are eligible for the retiree health benefits upon meeting the following requirements: 1) retire from the District, 2) enrolled in District provided health care at time of retirement and 3) working .5 FTE for members of the Niskayuna Teachers' Association or 30 hours a week for other staff members having at least 5 years of service under the New York State Teachers' or Employees' Retirement Systems and at least 5 years of service with the District. The District currently funds the plan to satisfy current obligations on a pay-as-you-go basis. The cost of providing this benefit for 410 retirees and surviving spouses was approximately \$3,800,000.

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

Covered Employees

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

Inactive plan members or beneficiaries currently receiving benefit payments	410
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	<u>594</u>
Total plan members	<u><u>1,004</u></u>

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

6. OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS PAYABLE

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2022; the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020.

Actuarial Assumptions

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

Inflation	2.50%
Salary increases	Varied by years of service and retirement system
Discount rate	3.54%
Healthcare cost trend rates	
Medical	5.70% initial rate decreasing to an ultimate rate of 4.04% by 2075.
Dental and Vision	4.00% initial rate decreasing to an ultimate rate of 3.00% by 2024.

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

The discount rate was based on the Bond Buyer General Obligation 20-year Municipal Bond Index.

Changes in the Net OPEB Liability

Changes in the District's net OPEB liability were as follows:

	Total OPEB Liability [a]	Plan Fiduciary Net Position [b]	Net OPEB Liability [a] - [b]
Balances, June 30, 2021	\$ 188,034,576	\$ -	\$ 188,034,576
Changes for the year:			
Service cost	8,159,245	-	8,159,245
Interest	4,196,989	-	4,196,989
Difference between expected and actual experience	244,834	-	244,834
Contributions - employer	-	(3,797,827)	(3,797,827)
Net investment income	-	-	-
Changes of assumptions or other inputs (change in discount rate)	(43,429,250)	-	(43,429,250)
Benefit payments	(3,797,827)	(3,797,827)	-
Administrative expense	-	-	-
Net changes	(34,626,009)	-	(34,626,009)
Balances, June 30, 2022	\$ 153,408,567	\$ -	\$ 153,408,567

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

6. OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS PAYABLE

Sensitivity of the OPEB Liability to Changes in the Discount Rate

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

	1% Decrease <u>(2.54%)</u>	Discount Rate <u>(3.54%)</u>	1% Increase <u>(4.54%)</u>
Total OPEB Liability	\$ 183,362,391	\$ 153,408,567	\$ 129,850,872

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

The following presents the District's total OPEB liability, 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 <u></u>	Healthcare Cost Trend Current <u></u>	1% Increase <u></u>
Total OPEB Liability	\$ 124,989,023	\$153,408,567	\$ 191,116,674

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

For the year ended June 30, 2022, the District recognized OPEB expense of \$8,043,697.
At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources <u></u>	Deferred Inflows of Resources <u></u>
Differences between expected and actual experience	\$ 2,694,695	\$ (6,404,968)
Changes of assumptions and other inputs	<u>28,135,315</u>	<u>(50,656,483)</u>
Total	<u>\$ 30,830,010</u>	<u>\$ (57,061,451)</u>

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

6. OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS PAYABLE

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

<u>Year ending June 30,</u>	
2023	\$ (4,312,537)
2024	(4,312,537)
2025	(2,372,192)
2026	(2,030,458)
2027	(7,034,519)
Thereafter	(6,169,198)

7. TAX ABATEMENTS

The Town of Niskayuna, enters into various property tax abatement programs for the purpose of economic development. The District property tax revenue was reduced by \$115,277. The District received Payments in Lieu of Tax (PILOT) totaling \$150,490.

8. LEASE OBLIGATIONS

Lease Assets

A summary of the lease asset activity during the year ended June 30, 2022 is as follows:

	As Restated Balance <u>July 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30</u>
Lease Assets				
Machinery and equipment	\$1,093,507	\$ 2,117,608	\$ -	\$ 3,211,115
Less accumulated amortization	<u>-</u>	<u>717,154</u>	<u>-</u>	<u>717,154</u>
Total Lease Assets, Net	<u>\$ 1,093,507</u>	<u>\$ 1,400,454</u>	<u>\$ -</u>	<u>\$ 2,493,961</u>

Lease agreements are summarized as follows:

	<u>Date</u>	<u>Payment Terms</u>	<u>Annual Payment Amount</u>	<u>Interest Rate</u>	<u>Total Lease Liability</u>	<u>Balance June 30, 2022</u>
Machinery and equipment	7/24/18	5 years	\$ 7,259	3.20%	\$ 15,698	\$ 8,860
Machinery and equipment	11/25/19	4 years	78,521	2.37%	115,373	38,912
Machinery and equipment	02/20/20	4 years	24,027	2.20%	41,128	17,822
Machinery and Equipment	05/21/21	4 years	144,972	2.26%	553,710	419,330

NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

8. LEASE OBLIGATIONS

Lease agreements are summarized as follows:

Machinery and equipment	05/26/20	5 years	165,811	1.51%	485,426	326,053
Machinery and Equipment	07/23/21	5 years	69,590	2.47%	326,226	279,916
Machinery and Equipment	04/19/22	4 years	265,404	3.99%	976,914	976,914
Machinery and Equipment	05/20/22	4 years	88,327	4.10%	325,494	<u>325,494</u>
Total Lease Agreements						<u>\$2,393,301</u>

The computer equipment and printers were leased for the District with the terms noted above. This lease is not renewable and the District will not acquire the equipment at the end of the five years.

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

Year Ending June 30,	Principal	Interest
2023	\$ 733,045	\$ 65,603
2024	689,040	46,882
2025	540,824	27,472
2026	413,102	10,220
2027	<u>17,290</u>	<u>107</u>
	<u>\$ 2,393,301</u>	<u>\$150,284</u>

9. CONTINGENCY

On March 11, 2020, the World Health Organization declared the outbreak of COVID-19, a respiratory disease, to be a pandemic. It is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity, and future operations. The District's operations are heavily dependent on real property taxes and state aid. The outbreak will likely have a continued impact on the economy and cost of education. The full impact of the COVID-19 outbreak continues to evolve as of the date these financial statements were available to be issued. In response to the COVID-19 outbreak, the Federal Government passed several COVID relief acts which include funding for elementary and secondary education. The District was awarded three different stimulus packages known as Coronavirus Aid, Relief and Economic Security Act (CARES), Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), and the American Rescue Plan Act (ARPA). New York State Required the CARES funds to be reported in the General fund, as an offset to state aid reductions, referred to as the Pandemic Adjustment, while the CRRSA and ARPA funds are required to be reported in the special aid fund.

See the schedule of expenditures of federal awards for the COVID-19 funding received by the District. All stimulus funds may be used for pre-award costs dating back to March 13, 2020, when the national emergency was declared. The District also provided free breakfast and lunches to all students (except those who opted out) through the Federal Summer Food Service Program as well as National School Lunch and Breakfast programs.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

10. CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2022, the District implemented GASB Statement No. 87 *Leases* and GASB Statements No. 96 *Subscription-Based Information Technology Arrangements*. The implementation of the statement changes the reporting for leases and subscription-based information technology agreements.

Restatement of Net Assets

For the year ended June 30, 2022, the District implemented GASB Statement No. 87 *Leases*. The District's net position has been restated as follows:

Statement of Net Activities	
Net position beginning of year, as previously stated	\$ (101,149,841)
Lease assets	1,093,507
Lease liability	<u>(725,909)</u>
Net Position Beginning of Year, as Restated	<u>\$ (100,782,243)</u>

There were no cumulative effect on the Net Position related to implementation of GASB Statement No. 96.

11. SUBSEQUENT EVENTS

The District has evaluated subsequent events through January 26, 2023, which is the date these financial statements were issued. All subsequent events requiring recognition or disclosure as of June 30, 2022, have been incorporated into these statements herein.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Final Budget Variance with Actual</u>
Revenues				
Local Sources				
Real Property Taxes	\$ 60,435,247	\$ 60,435,247	\$ 60,443,791	\$ 8,544
Real Property Tax Items	151,113	151,113	150,688	(425)
Charges for Services	756,000	756,000	757,575	1,575
Use of Money and Property	595,354	595,354	584,642	(10,712)
Sale of Property and Compensation for Loss	14,000	14,000	74,918	60,918
Miscellaneous	1,059,000	1,059,000	1,862,790	803,790
State Sources	26,928,382	26,928,382	27,002,822	74,440
Federal Sources	390,000	390,000	387,805	(2,195)
Other Sources				
Interfund Transfers	-	-	-	-
Total Revenue and Other Sources	<u>90,329,096</u>	<u>90,329,096</u>	<u>\$ 91,265,031</u>	<u>\$ 935,935</u>
Appropriated Fund Equity				
Prior Year Encumbrances	402,390	402,390		
Appropriated Reserves	-	7,763,279		
Appropriated Fund Equity	<u>2,728,416</u>	<u>2,728,416</u>		
Total Appropriated Fund Equity	<u>3,130,806</u>	<u>10,894,085</u>		
Total Revenues, Other Sources and Appropriated Fund Equity	<u>\$ 93,459,902</u>	<u>\$ 101,223,181</u>		

**NISKAYUNA CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Current Year's Expenditures</u>	<u>Encumbrances</u>	<u>Final Budget Variance with Actual and Encumbrances</u>
Expenditures					
General Support					
Board of Education	\$ 50,470	\$ 46,520	\$ 26,643	\$ -	\$ 19,877
Central Administration	448,789	427,565	406,808	-	20,757
Finance	704,462	863,902	798,674	37,062	28,166
Staff	899,693	999,981	937,280	-	62,701
Central Services	5,275,984	5,339,282	4,992,670	9,023	337,589
Special Items	959,267	1,010,018	936,482	-	73,536
Instruction					
Instruction, Administration and Improvement	3,450,785	3,345,072	3,193,322	-	151,750
Teaching - Regular School	25,491,220	25,819,915	25,057,833	77,190	684,892
Programs for Students with Disabilities	9,486,515	9,396,632	8,753,039	35,082	608,511
Occupational Education	738,670	752,500	752,500	-	-
Teaching - Special Schools	229,849	202,907	147,560	-	55,347
Instructional Media	3,891,064	3,603,722	3,299,986	121,831	181,905
Pupil Services	4,311,002	4,280,379	3,966,646	20,849	292,884
Pupil Transportation	4,874,861	4,980,784	4,727,376	-	253,408
Employee Benefits	21,639,684	20,926,489	19,006,140	-	1,920,349
Debt Service					
Debt Service Principal	9,760,800	10,212,466	10,212,466	-	-
Debt Service Interest	971,787	992,907	964,613	-	28,294
Total Expenditures	93,184,902	93,201,041	88,180,038	301,037	4,719,966
Other Uses					
Interfund Transfer	275,000	8,022,140	7,970,606	-	51,534
Total Expenditures and Other Uses	\$ <u>93,459,902</u>	\$ <u>101,223,181</u>	<u>96,150,644</u>	\$ <u>301,037</u>	\$ <u>4,771,500</u>
Net Change in Fund Equity			\$ (4,885,613)		
Fund Equity - Beginning of Year			<u>20,813,127</u>		
Fund Equity - End of Year			\$ <u><u>15,927,514</u></u>		

**NISKAYUNA CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CHANGES IN TOTAL OPEB LIABILITY
FOR THE YEAR ENDED JUNE 30, 2022**

	Fiscal Year Ending *					
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability						
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Service cost	\$ 8,159,245	\$ 7,739,757	\$ 4,955,666	\$ 4,271,208	\$ 4,485,736	\$ 4,542,839
Interest	4,196,989	4,196,078	4,931,803	5,246,265	4,696,671	4,130,495
Changes in benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	244,834	3,418,755	75,024	(12,809,936)	-	-
Changes in assumptions - rate	(43,429,250)	(7,611,923)	40,045,731	10,504,085	(6,616,062)	(18,598,429)
Benefit payments	<u>(3,797,827)</u>	<u>(3,652,316)</u>	<u>(3,203,447)</u>	<u>(2,701,108)</u>	<u>(2,258,661)</u>	<u>(2,683,293)</u>
Net Change in Total OPEB Liability	(34,626,009)	4,090,351	46,804,777	4,510,514	307,684	(12,608,388)
Total OPEB Liability - beginning	<u>188,034,576</u>	<u>183,944,225</u>	<u>137,139,448</u>	<u>132,628,934</u>	<u>132,321,250</u>	<u>144,929,638</u>
Total OPEB Liability - ending	<u>\$ 153,408,567</u>	<u>\$ 188,034,576</u>	<u>\$ 183,944,225</u>	<u>\$ 137,139,448</u>	<u>\$ 132,628,934</u>	<u>\$ 132,321,250</u>
Covered-employee payroll	\$ 46,032,971	\$ 43,892,500	\$ 36,000,594	\$ 34,594,222	\$ 35,706,244	\$ 33,704,631
Total OPEB Liability as a percentage of covered-employee payroll	333.26%	428.40%	510.95%	396.42%	371.44%	392.59%

* Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled this presentation will only include information for those years for which information is available. Additionally the amounts presented for each fiscal year were determined as of the measurement date.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
FOR THE YEAR ENDED JUNE 30, 2022**

**ERS Pension Plan
Last 10 Fiscal Years**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (asset)	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%
Proportionate share of the net pension liability (asset)	\$ (1,868,870)	\$ 23,142	\$ 6,315,055	\$ 1,712,653	\$ 783,104	\$ 2,275,210	\$ 3,620,757	\$ 773,633
Covered-employee payroll	\$ 6,880,857	\$ 6,784,967	\$ 7,351,296	\$ 7,186,981	\$ 7,153,843	\$ 8,254,813	\$ 8,091,957	\$ 6,126,997
Proportionate share of the net pension liability (asset) as a percentage of covered-employee payroll	-27%	0%	86%	24%	11%	28%	45%	13%
Plan fiduciary net position as a percentage of the total pension (asset) liability	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.71%	97.90%

**TRS Pension Plan
Last 10 Fiscal Years**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (asset)	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.19%	0.19%
Proportionate share of the net pension liability (asset)	\$ (35,952,787)	\$ 5,709,546	\$ (5,212,278)	\$ (3,584,929)	\$ (1,512,413)	\$ 2,130,723	\$ (20,083,066)	\$ (21,293,295)
Covered-employee payroll	\$ 36,088,913	\$ 30,315,041	\$ 35,751,804	\$ 34,472,964	\$ 33,098,923	\$ 32,450,865	\$ 31,550,574	\$ 27,976,129
Proportionate share of the net pension liability (asset) as a percentage of covered-employee payroll	-100%	19%	-15%	-10%	-5%	7%	-64%	-76%
Plan fiduciary net position as a percentage of the total pension (asset) liability	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	-110.46%	-111.48%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled this presentation will only include information for those years for which information is available. Additionally the amounts presented for each fiscal year were determined as of the measurement date.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2022**

**ERS Pension Plan
Last 10 Fiscal Years**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,009,186	\$ 977,868	\$ 978,833	\$ 1,004,591	\$ 1,008,652	\$ 957,626	\$ 996,212	\$ 919,814
Contributions in relation to the contractually required contribution	<u>(1,009,186)</u>	<u>(977,868)</u>	<u>(978,833)</u>	<u>(1,004,591)</u>	<u>(1,008,652)</u>	<u>(957,626)</u>	<u>(996,212)</u>	<u>(919,814)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 6,880,857	\$ 6,784,967	\$ 7,351,296	\$ 7,186,981	\$ 7,153,843	\$ 8,254,813	\$ 8,091,957	\$ 6,126,997
Contributions as a percentage of covered-employee payroll	14.67%	14.41%	13.32%	13.98%	14.10%	11.60%	12.31%	15.01%

**TRS Pension Plan
Last 10 Fiscal Years**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 3,355,945	\$ 3,107,240	\$ 3,556,399	\$ 3,164,725	\$ 3,695,445	\$ 4,070,599	\$ 5,091,418	\$ 4,588,404
Contributions in relation to the contractually required contribution	<u>(3,355,945)</u>	<u>(3,107,240)</u>	<u>(3,556,399)</u>	<u>(3,164,725)</u>	<u>(3,695,445)</u>	<u>(4,070,599)</u>	<u>(5,091,418)</u>	<u>(4,588,404)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 36,088,913	\$ 30,315,041	\$ 35,751,804	\$ 34,472,964	\$ 33,098,923	\$ 32,450,865	\$ 31,550,574	\$ 27,976,129
Contributions as a percentage of covered-employee payroll	9.30%	10.25%	9.95%	9.18%	11.16%	12.54%	16.14%	16.40%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled this presentation will only include information for those years for which information is available. Additionally the amounts presented for each fiscal year were determined as of the measurement date.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES FROM ADOPTED BUDGET TO FINAL BUDGET AND
SCHEDULE OF SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION
FOR THE YEAR ENDED JUNE 30, 2022**

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	\$ 93,057,512
Add: Prior year's encumbrances	<u>402,390</u>
Original Budget	93,459,902
Additions:	
Budget Amendments	<u>7,763,279</u>
Final Budget	<u><u>\$ 101,223,181</u></u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2022-23 [subsequent year's] voter-approved expenditure budget	\$ 99,853,067
Maximum allowed (4% of 2022-23 [subsequent year's] budget)	3,994,123

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

Unrestricted Fund Equity:	
Committed Fund Equity	\$ -
Assigned Fund Equity	2,828,640
Unassigned Fund Equity	<u>3,855,576</u>
Total Unrestricted Fund Equity	<u>6,684,216</u>

Less:	
Appropriated Fund Equity	2,527,603
Encumbrances included in Committed and Assigned Fund Equity	<u>301,037</u>
Total Adjustments	<u>2,828,640</u>

General Fund Fund Equity Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 3,855,576</u></u>
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Actual percentage	3.86%
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* Per office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions," Updated April 2011 (Originally Issued November 2010), the portion of [General Fund] fund balance subject to Section 1318 of the Real Property Tax law is: unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2022**

PROJECT TITLE	Original Appropriation	Revised Appropriation	Expenditures			Unexpended Balance	Methods of Financing				Transfer to Debt Service/ General Fund	Fund Balance June 30, 2022
			Prior Years	Current Year	Total		Serial Installment Bonds	State Sources	Local Sources	Total		
School Buses Purchases	\$ 703,930	\$ 703,930	\$ 703,067	\$ -	\$ 703,067	\$ 863	\$ 703,930	\$ -	\$ -	\$ 703,930	\$ -	\$ 863
School Buses Purchases	974,092	974,092	-	973,252	973,252	840	974,092	-	-	974,092	-	840
Birchwood ES Phase 1C SED Project # 1010	107,900	211,655	147,652	-	147,652	64,003	278,505	-	27,341	305,846	-	158,194
Birchwood ES Phase 1C SED Project # 1012	-	60,609	11,115	35,577	46,692	13,917	-	-	-	-	-	(46,692)
VAMS Roof Project SED Project # 1014	1,570,000	1,594,978	1,332,161	-	1,332,161	262,817	1,037,926	-	294,235	1,332,161	-	-
VAMS Phase 1B SED Project # 1015	135,000	173,630	173,630	-	173,630	-	143,628	-	30,002	173,630	-	-
VAMS Phase 2B SED Project #	2,175,000	3,851,754	-	86,502	86,502	3,765,252	-	-	86,502	86,502	-	-
Craig ES Phase 1B SED Project # 2015	1,294,000	1,281,190	1,278,721	-	1,278,721	2,469	1,040,631	-	238,090	1,278,721	-	-
Craig ES Phase 1C SED Project # 2016	107,900	211,655	258,518	-	258,518	(46,863)	278,463	-	27,338	305,801	-	47,283
Craig ES Phase 1C SED Project # 2018	43,000	59,855	10,530	33,862	44,392	15,463	-	-	-	-	-	(44,392)
Glencloff ES Phase 1A SED Project # 3016	1,444,000	1,563,706	75,867	960,492	1,036,359	527,347	-	-	1,036,359	1,036,359	-	-
Glencloff ES Phase 1B SED Project # 3015	128,000	128,000	44,696	-	44,696	83,304	20,981	-	23,715	44,696	-	-
Glencloff ES Phase 1C SED Project #	40,000	59,459	2,340	27,314	29,654	29,805	-	-	29,654	29,654	-	-
Rosendale ES Phase 1A SED Project # 4014	1,351,000	1,609,057	52,877	883,360	936,237	672,820	-	-	936,237	936,237	-	-
Rosendale ES Phase 1B SED Project # 4013	221,000	221,000	94,298	-	94,298	126,702	53,353	-	40,945	94,298	-	-
Rosendale ES Phase 2A SED Project # 4015	192,000	541,629	-	230,598	230,598	311,031	-	-	230,598	230,598	-	-
Bus Garage Roof Project SED Project # 5002	108,000	108,642	62,817	-	62,817	45,825	42,724	-	20,093	62,817	-	-
Bus Garage Roof Project 1A SED Project # 5003	2,219,000	1,665,879	94,259	596,076	690,335	975,544	-	-	690,335	690,335	-	-
NHS Phase 1A SED Project # 6029	386,000	552,963	6,897	377,750	384,647	168,316	-	-	384,647	384,647	-	-
NHS Phase 1B SED Project # 6026	396,000	615,914	615,914	-	615,914	-	514,140	-	101,774	615,914	-	-
NHS Phase 1B SED Project # 6030	14,295,000	10,870,758	491,600	2,675,059	3,166,659	7,704,099	-	-	3,166,659	3,166,659	-	-
NHS Phase 1C SED Project # 6031	177,000	193,043	23,985	43,460	67,445	125,598	-	-	67,445	67,445	-	-
NHS Transformer Mitigation SED Project # 6027	900,000	900,000	514,662	-	514,662	385,338	-	-	514,662	514,662	-	-
Hillside ES Phase 1B SED Project # 7013	159,000	165,580	165,580	-	165,580	-	135,272	-	30,308	165,580	-	-
Hillside ES Phase 1C SED Project # 7015	-	55,259	10,530	29,962	40,492	14,767	-	-	40,492	40,492	-	-
IRMS Phase 1B SED Project # 8015	460,000	460,000	379,457	-	379,457	80,543	294,231	-	85,226	379,457	-	-
IRMS Phase 2A SED Project # 8016	3,015,500	4,349,451	465,600	944,404	1,410,004	2,939,447	-	-	1,382,120	1,382,120	-	(27,884)
Pre-Referendum Costs	-	-	79,898	325	80,223	(80,223)	-	-	-	-	-	(80,223)
Smart Schools Bond Act Phase 1 SED Project # 9BA1	487,700	487,700	481,699	-	481,699	6,001	-	481,699	-	481,699	-	-
Smart Schools Bond Act Phase 2 SED Project # 9BA2	761,703	761,703	611,432	18,153	629,585	132,118	-	629,585	-	629,585	-	-
Lease Expense	-	-	-	2,114,058	2,114,058	(2,114,058)	-	-	2,114,058	2,114,058	-	-
Totals	\$ 33,851,725	\$ 34,433,091	\$ 8,189,802	\$ 10,030,204	\$ 18,220,006	\$ 16,213,085	\$ 5,517,876	\$ 1,111,284	\$ 11,598,835	\$ 18,227,995	\$ -	\$ 7,989

**NISKAYUNA CENTRAL SCHOOL DISTRICT
NET INVESTMENT IN CAPITAL ASSETS
JUNE 30, 2022**

Capital Assets, Net		\$	76,262,752
Add:			
Deferred loss on refunding	\$	1,093,990	
Capital projects fund - restricted cash		<u>2,804,396</u>	
			3,898,386
Deduct:			
Unamortized bond premiums		(427,349)	
Bond anticipation note		(26,100,000)	
Short-term portion of bonds payable		(9,959,092)	
Long-term portion of bonds payable		<u>(7,255,000)</u>	
			<u>(43,741,441)</u>
Net Investment in Capital Assets		\$	<u><u>36,419,697</u></u>



BUSINESS
ADVISORS
AND CPAS

**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**

To the President and Members of the Board of Education
Niskayuna Central School District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Niskayuna Central School District (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 26, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be a material weakness. We did identify a certain deficiency in internal control described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding(s) identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Mengel, Metzger, Barw & Co. LLP

Latham, NY
January 26, 2023



BUSINESS
ADVISORS
AND CPAS

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

To the President and Members
of the Board of Education of
Niskayuna Central School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a deficiency in internal control over compliance that we considered to be a significant deficiency.

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

federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-002 to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance finding in our audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

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

Mengel, Metzger, Barw & Co. LLP

Latham, NY
January 26, 2023

**NISKAYUNA CENTRAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Grantor's Number	Passed Through to Subrecipient	Total Federal Expenditures
<u>U.S. Department of Education</u>				
Passed Through New York State Education Department:				
Special Education Cluster				
Special Education - Grants to States (IDEA, Part B)	84.027	0032-22-0830	\$ -	\$ 881,632
Special Education - Preschool Grants (IDEA Preschool)	84.173	0033-22-0830	-	22,607
Total Special Education Cluster				904,239
Title I - Grants to Local Educational Agencies	84.010	0021-22-2740	-	166,313
Title I - Grants to Local Educational Agencies	84.010	0021-21-2740	-	2,120
Total Title I				168,433
Title II, Part A - Teacher and Principal Training and Recruitment	84.367	0147-22-2740	-	53,262
Title II, Part A - Teacher and Principal Training and Recruitment	84.367	0147-21-2740	-	11,052
Total Title II				64,314
Title III, Part A - Immigration	84.011	0149-22-2740	-	988
Title III, Part A - Immigration	84.011	0149-21-2740	-	9,807
Total Title III				10,795
Title IV, SSAE Allocation	84.369	024-22-2740	-	12,127
Education Stabilization Funds				
COVID-19 CRRSA Act - Elementary and Secondary School Emergency Relief Fund	84.425D	5891-21-2740	-	1,348,988
COVID-19 CRRSA Act - Governor's Emergency Education Relief Fund	84.425C	5896-21-2740	-	227,884
COVID-19 ARP - Elementary and Secondary School Emergency Relief Fund	84.425U	5880-21-2740	-	454,306
COVID-19 ARP - Elementary and Secondary School Emergency Relief Fund - Comprehensive After School	84.425U	5883-21-2740	-	67,534
COVID-19 ARP - Elementary and Secondary School Emergency Relief Fund - Summer Enrichment	84.425U	5882-21-2740	-	65,336
Total Education Stabilization Funds				2,164,048
Total U.S. Department of Education				3,323,956
<u>U.S. Department of Agriculture</u>				
Passed Through New York State Education Department:				
Child Nutrition Cluster				
COVID-19 School Breakfast Program	10.553	Not Applicable	-	346,260
COVID-19 School Lunch Program	10.555	Not Applicable	-	1,738,332
COVID-19 National School Lunch Program - Emergency Operational Funding	10.555	Not Applicable	-	4,213
Food Distribution	10.555	Not Applicable	-	88,754
Total Child Nutrition Cluster				2,177,559
COVID-19 State Pandemic Electronic Benefit Transfer Administrative Costs Grant	10.649	Not Applicable		4,207
Total U.S. Department of Agriculture				2,181,766
Total Expenditures of Federal Awards				\$ 5,505,722

NISKAYUNA CENTRAL SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2022

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of federal award programs administered by the Niskayuna Central School District (District), which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the District financial statements. Federal awards that are included in the Schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies.

The information presented in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). This Schedule only presents a selected portion of the operations of the District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

The federal expenditures are recognized under the Uniform Guidance.

3. SCOPE OF AUDIT

The Niskayuna Central School District is an independent municipal corporation. All federal grant operations of the District are included in the scope of the single audit.

4. NON-CASH ASSISTANCE

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. For the year ended June 30, 2022, the District received food commodities totaling \$88,754.

5. INDIRECT COST RATE

The Niskayuna Central School District did not elect to use the 10% de minimus cost rate.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. The District's policy is not to charge federal award programs with indirect costs.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued

Unmodified

Internal control over financial reporting:

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

____yes x no
xyes _____none reported

Noncompliance material to financial statements noted?

____yes x no

Federal Awards

Internal control over major programs:

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

____yes x no
xyes _____none reported

Type of auditor’s report issued on compliance for major programs

Unmodified

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

____yes x no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.425C	COVID-19 CRRSA Act Governor’s Emergency Education Relief Fund
84.425D	COVID-19 CRRSA Act Elementary and Secondary School Emergency Relief Fund
84.425U	COVID-19 ARP – Elementary and Secondary School Emergency Relief
84.425U	COVID-19 ARP Elementary and Secondary School Emergency Relief Fund Comprehensive After School
84.425U	COVID-19 ARP Elementary and Secondary School Emergency Relief
10.553 and 10.555	Fund Summer Enrichment Child Nutrition Cluster

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

\$750,000

Auditee qualified as low-risk auditee?

x yes _____no

**NISKAYUNA CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022**

Section II: Financial Statement Findings

Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards:

Significant Deficiency

2022-001 Audit Adjustments

Criteria: To accurately present the financial position of the District, general ledger accounts should be reconciled and monitored throughout the year and at year-end by management. The accuracy of financial data is crucial to the budget process and monthly report monitoring.

Statement of Condition: Adjusting journal entries were proposed as a result of audit procedures to properly reflect year-end balances.

Context: There were transactions that was not properly recorded during the year, these adjustments related to (1) not deferring revenue which remained unearned at year-end, (2) recording revenue that is owed to another government, and (3) incorrectly calculating the local share of a state program.

Effect of Condition: In the general fund, revenue was overstated and due to other governments was understated by \$150,594. In the special aid fund receivables, state revenue and due to other funds were understated, and interfund revenues were overstated by \$23,771. In the school lunch fund, revenue was overstated and deferred revenue was understated by \$87,430.

Cause: The adjusting journal entries identified during the audit appear to be caused by transactions not being recorded at year-end.

Recommendation: We recommend that management review and monitor account balances at year end more closely and implement a formal closing process for end of year reconciliations and cut-off.

View of Responsible Officials and Planned Corrective Actions: The District agrees that a more formal review process would be beneficial. Given the level of staff turnover and vacancies during the 2021-22 school year, a more proactive approach to journal entry review is needed. A procedure will be implemented for the 2022-23 fiscal year whereby journal entries will be reviewed by the Assistant Superintendent of Business and Operations or another designated representative of management. At month end, the District Treasurer shall print a monthly report of journal entries completed. The District Treasurer shall review and sign the report and forward it to the Assistant Superintendent of Business and Operations or designee for review and signature. The District Treasurer shall maintain adequate documentation to support journal entries and file such documentation with the monthly journal entry reports. Closing journal entries at fiscal year end shall be reviewed using the same procedures. Copies will be maintained for auditor review at the close of the fiscal year. Responsible Person(s): Elizabeth VanAlstyne, District Treasurer (effective 7-1-22 - 2-20-23) and Tishawn Terry-Garcia (effective 2-21-23); Sherri Fisher, Interim Director of Business & Operations (7-13-22 – 1 31-23) and Matt Leon (effective 2-1-23). Deadline for Completion: Monthly with final deadline of 8-31 for 6-30 fiscal year end

**NISKAYUNA CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022**

Section III: Federal Award Findings and Questioned Costs

Findings and questioned costs related to Federal awards which are required to be reported in accordance with the Uniform Guidance 2 CFR 200.516(a):

Significant Deficiency

2022-002 Child Nutrition Cluster - Procurement

Information on Federal Program: U.S Department of Agriculture Child Nutrition Cluster (COVID-19 National School Lunch Program and COVID-19 School Breakfast Program and Food Distribution, Federal Assistance Listing No. 10.553 and 10.555) passed through the New York State Education Department.

Criteria: CFR Section 200.318 stipulates that a non-Federal entity must use its own documented procurement procedures which reflect applicable state, local, and tribal laws, and regulations, provided that the procurements conform to applicable Federal law and the standards identified in Part 200 Subpart D. Additionally, 2 CFR Section 200.213 stipulates that no awards, subawards, or contracts be awarded to parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

Statement of Condition: During our discussions with management and testing of the major program, we noted that the District is not verifying the eligibility of vendors to participate in Federal assistance programs.

Statement of Cause: The District did not review compliance requirements related to procurement outlined in 2 CFR Section 200.318 and Section 200.213.

Statement of Effect: The District is not in compliance with 2 CFR Section 200.213. The District is not performing required procedures, as a result, vendors that are not eligible for participation in Federal assistance programs or activities could be selected or the District could be overpaying for goods and services.

Questioned Cost: None.

Repeat Finding: No

Perspective Information: As part of testing of compliance over procurement, a selection of vendors charged to the major program was selected for testing of compliance. Of the District's vendors charged to the program, none were suspended or debarred from participation in Federal assistance programs or activities.

Recommendation: We recommend that the District review the requirements of 2 CFR Section 200.213 and ensure that a review of the eligibility of potential vendors to participate in Federal assistance programs or activities is performed prior to disbursing funds to the vendor.

**NISKAYUNA CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022
Section III: Federal Award Findings and Questioned Costs**

Findings and questioned costs related to Federal awards which are required to be reported in accordance with the Uniform Guidance 2 CFR 200.516(a):

Significant Deficiency

2022-002 Child Nutrition Cluster - Procurement

Information on Federal Program: U.S Department of Agriculture Child Nutrition Cluster (COVID-19 National School Lunch Program and COVID-19 School Breakfast Program and Food Distribution, Federal Assistance Listing No. 10.553 and 10.555) passed through the New York State Education Department.

Views of the Responsible Officials and Planned Corrective Actions: The District has reviewed the requirements of 2 CFR Section 200.213. The District is in agreement with the recommendation to implement a procedure to document the process used to verify the eligibility of potential vendors to participate in Federal assistance programs.

The verification of excluded parties will be accomplished by accessing the System for Award Management (SAM.gov) website and selecting the "Excluded Entity" filter on the "Exclusions" search page to search for exclusions by Unique Entity ID or CAGE/NCAGE code as follows:

- 1) Select "Search" from the header menu from any page on SAM.gov
- 2) In the filters, under "Select Domain", select "Entity Information", then select Exclusions
- 3) Use the filters or keyword box to enter the search criteria and view the results
- 4) Document the results in the vendor file.

Other alternatives for verification may include collecting a certification from the entity or adding a clause or condition to the covered transaction or contract with that entity.

The Purchasing Agent is charged with the responsibility of monitoring and ensuring compliance with the suspension and debarment procedures and maintaining documentation that contracts expected to equal or exceed \$25,000 have been verified on the System for Award Management (SAM) website before purchases are made.

Responsible Person(s): Kristin Chotkowski, Purchasing Agent

Deadline for Completion: On or before 4/1/23 for covered transactions with contracts or purchase orders meeting the threshold during the time period 7/1/22 - 1/31/23. Prior to contract approval or purchase order issuance for contracts or purchase orders meeting the threshold on or after 2/1/23.

Summary Schedule of Prior Auditing Findings

None