

**NISKAYUNA CENTRAL SCHOOL DISTRICT  
FINANCIAL REPORT  
JUNE 30, 2023**

# NISKAYUNA CENTRAL SCHOOL DISTRICT

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BUSINESS  
ADVISORS  
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## 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 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, 2023, 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 accompanying financial statements 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, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the 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.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

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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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 4-13, budgetary comparison information on pages 59 and 60, schedule of changes in total OPEB liability on page 61, schedules of proportionate share of net pension liability (asset) on page 62 and schedules of District contributions on page 63 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.

### ***Supplementary 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 supplementary information on pages 64-66 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 73 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 supplementary 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 supplementary 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 October 10, 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  
October 10, 2023

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Management's Discussion and Analysis (MD&A)**  
**June 30, 2023**

**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, 2023.

**FINANCIAL HIGHLIGHTS**

- ❖ The District maintained an unassigned fund balance at 4.00% of the General Fund budget for 2023-24.
- ❖ General Fund restricted fund balance was \$14,657,253 for the fiscal year ending June 30, 2023.
- ❖ The District had a favorable expenditure budget variance of \$6.9 million and realized an excess of \$1.9 million of revenues over budget.
- ❖ 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 2023, the district completed a \$42.1 million Bond Anticipation Note to provide funds for Phase 2 of this Capital Project work.
- ❖ The District issued \$970,000 in serial bonds to purchase transportation vehicles in December 2022.
- ❖ In May 2023, the 2022-23 budget was approved by a 71% margin. The 2023-24 budget totaling \$107,805,164 represents a \$7,952,097 increase from 2022-23.

**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, 2023 and 2022**

	<b>Governmental Activities</b>		<b>Variance Increase/ (Decrease)</b>
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>(Decrease)</u></b>
Current Assets	\$54,244,265	\$54,991,884	(\$747,619)
Capital Assets, net	95,173,530	76,262,752	18,910,778
Lease Assets, net	2,685,081	2,493,961	191,120
Pension Asset	0	37,821,657	(37,821,657)
<b>Total Assets</b>	<b><u>152,102,876</u></b>	<b><u>171,570,254</u></b>	<b><u>(19,467,378)</u></b>
Deferred Outflows of Resources	<u>51,702,911</u>	<u>55,994,348</u>	<u>(4,291,437)</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<b><u>\$203,805,787</u></b>	<b><u>\$227,564,602</u></b>	<b><u>(\$23,758,815)</u></b>
Current Liabilities	52,445,365	48,928,231	3,517,134
Other Post Employment Benefits Payable	155,204,043	153,408,567	1,795,476
Other Noncurrent Liabilities	22,907,116	11,370,149	11,537,967
<b>Total Liabilities</b>	<b><u>230,556,524</u></b>	<b><u>213,706,947</u></b>	<b><u>16,850,577</u></b>
Deferred Inflows of Resources	<u>55,366,422</u>	<u>103,884,793</u>	<u>(48,518,371)</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b><u>285,923,946</u></b>	<b><u>317,591,740</u></b>	<b><u>(31,667,794)</u></b>
<b>Net Position:</b>			
Investments in Capital Assets, Net of Related Debt	71,115,570	36,419,697	31,068,337
Restricted for Debt, Employee Benefits & Taxes	16,181,373	10,466,315	5,715,058
Unrestricted	(\$168,471,645)	(136,913,150)	(31,558,495)
<b>Total Net Position</b>	<b><u>(\$81,174,702)</u></b>	<b><u>(\$90,027,138)</u></b>	<b><u>\$8,851,436</u></b>

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, 2023 and 2022**

	<u>Governmental Activities</u>		<u>Variance Increase/ (Decrease)</u>
	<u>2023</u>	<u>2022</u>	
<b><u>Revenues:</u></b>			
Program Revenues:			
Charges for Services	\$1,541,464	\$862,181	\$679,283
Operating Grants	4,209,623	6,490,369	(2,280,746)
Capital Grants	<u>48,230</u>	<u>18,153</u>	<u>30,077</u>
Total Program Revenues	<u>5,799,317</u>	<u>7,370,703</u>	<u>(1,571,386)</u>
General Revenues			
Real Property Taxes	62,404,286	60,594,479	1,809,807
Use of Money and Real Property	873,686	585,230	288,456
Sale of Property and Compensation for Loss	63,328	55,443	7,885
Miscellaneous	2,940,631	2,232,465	708,166
State Sources	32,411,635	27,002,822	5,408,813
Federal Sources	<u>380,341</u>	<u>387,805</u>	<u>(7,464)</u>
Total General Revenues	<u>99,073,907</u>	<u>90,858,244</u>	<u>8,215,663</u>
Total All Revenues	<u>\$104,873,224</u>	<u>\$98,228,947</u>	<u>\$6,644,277</u>
<b><u>Gross Expenses:</u></b>			
General Support	\$8,742,555	\$10,104,373	(\$1,361,818)
Instruction	55,617,769	67,865,116	(12,247,347)
Pupil Transportation	4,929,481	6,626,925	(1,697,444)
Employee Benefits	22,684,999	0	22,684,999
Debt Service Interest Exp.	2,090,472	821,098	1,269,374
Capital & Other Exp.	0	0	0
School Lunch	<u>1,955,512</u>	<u>2,056,330</u>	<u>(100,818)</u>
Total Expenses	<u>\$96,020,788</u>	<u>\$87,473,842</u>	<u>(\$8,546,946)</u>
<b><u>Change in Accounting Principle:</u></b>			
Cumulative Effect of Change in Accounting Principle	<u>0</u>	<u>367,598</u>	<u>(367,598)</u>
Change in Net Position	<u>\$8,852,436</u>	<u>\$11,122,703</u>	<u>(\$2,270,267)</u>

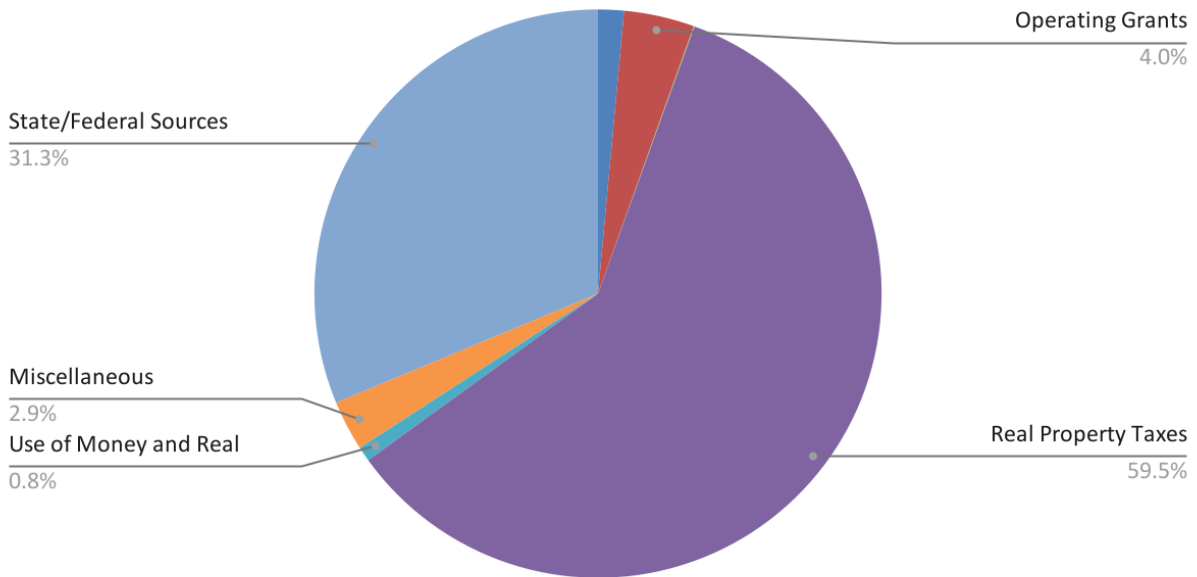


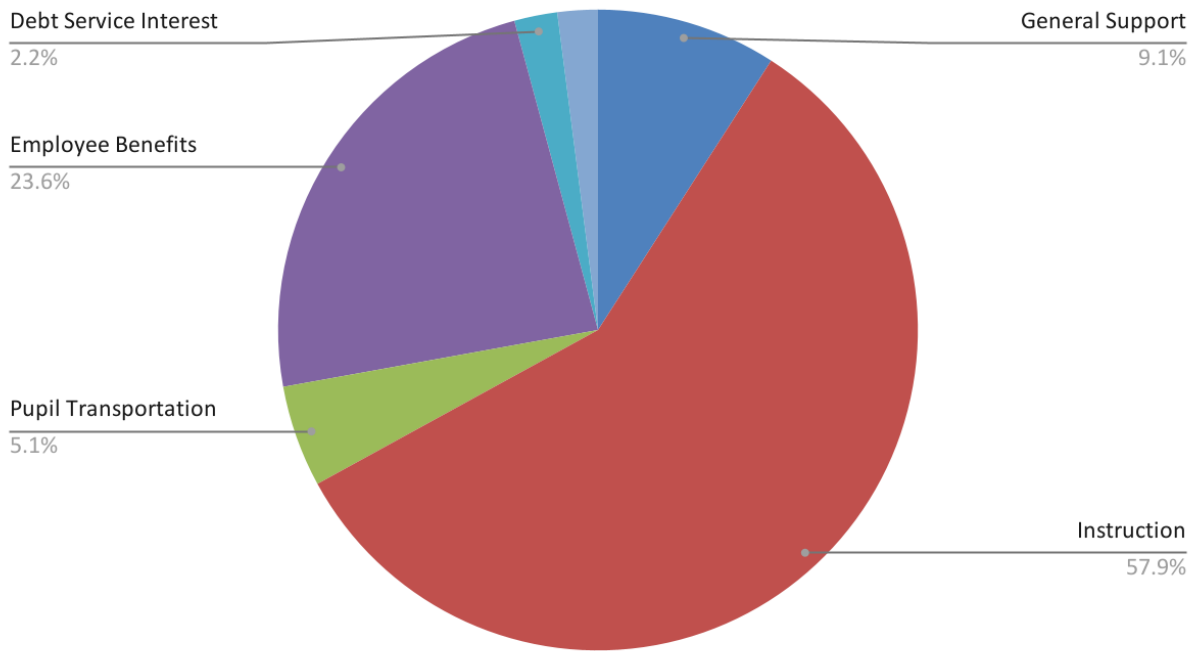
The statement of revenue, expense and changes in net position presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of 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:

### Amount





### **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, 2023 and 2022.

<b><u>Fund</u></b>	<b>Fund Equity</b>		<b>Variance</b>
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>Increase/ (Decrease)</u></b>
General	\$22,267,408	\$15,927,514	\$6,339,894
Special Aid	-	-	-
School Lunch	-	(1)	1
Special Revenues	285,421	308,600	(23,179)
Capital	(21,946,171)	7,989	(21,954,160)
Debt Service	1,239,719	906,428	333,291
Totals	<u>\$1,846,377</u>	<u>\$17,150,530</u>	<u>(\$15,304,153)</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, 2020 TO JUNE 30, 2023**

<b>Assets</b>	<b>2022-2023</b>	<b>2021-2022</b>	<b>2020-2021</b>
Cash	\$ 23,322,892	\$ 45,248,555	\$ 22,560,207
Other Assets	6,621,025	1,617,538	4,398,603
Total Assets	<u>\$ 29,943,917</u>	<u>\$ 46,866,093</u>	<u>\$ 26,958,810</u>

**Liabilities**

Accounts Payable and Accrued Liabilities	\$ 2,663,132	\$ 2,995,889	\$ 1,905,117
Due to Teachers' Retirement System	4,131,360	3,759,349	3,583,418
Due to Employees' Retirement System	219,056	191,026	278,928
Other Liabilities	662,961	23,992,315	378,220
	<hr/>	<hr/>	<hr/>
Total Liabilities	7,676,509	30,938,579	6,145,683
	<hr/>	<hr/>	<hr/>
<b>Deferred Inflows of Resources</b>	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Fund Equity (Deficiency)</b>			
Non-spendable	92,537	-	-
Restricted	14,657,253	9,243,298	13,960,022
Committed	-	-	-
Assigned	3,205,406	2,828,640	3,130,806
Unassigned	4,312,212	3,855,576	3,722,299
	<hr/>	<hr/>	<hr/>
Total Fund Equity (Deficiency)	\$22,267,408	\$15,927,514	\$ 20,813,127
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Equity (Deficiency)	\$ 29,943,917	\$ 46,866,093	\$ 26,958,810
	<hr/>	<hr/>	<hr/>

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

<u>Revenues</u>	<u>2023</u>	<u>2022</u>	<u>Variance Increase/ (Decrease)</u>
	<hr/>	<hr/>	<hr/>
Taxes	\$62,404,286	\$60,594,479	\$1,809,807
Charges for Services	719,730	757,575	(37,845)
Sale of Property/Compensation for Loss	63,328	74,918	(11,590)
Use of Money and Property	862,163	584,642	277,521
State/Federal Sources	32,791,976	27,390,627	5,401,349
Other	2,064,855	1,862,790	202,065
Totals	<hr/>	<hr/>	<hr/>
	\$98,906,338	\$91,265,031	\$7,641,307
	<hr/>	<hr/>	<hr/>

<u>Expenses</u>	<u>2023</u>	<u>2022</u>	<u>Variance Increase/ (Decrease)</u>
General Support	\$8,250,526	\$8,098,557	\$151,969
Instruction	47,818,148	45,170,886	2,647,262
Pupil Transportation	4,938,573	4,727,376	211,197
Community Service	0	0	0
Employee Benefits	19,265,429	19,006,140	259,289
Debt Service	11,615,879	10,704,293	911,586
Lease Expense	798,648	472,786	325,862
Totals	<u>\$92,687,203</u>	<u>\$88,180,038</u>	<u>\$4,507,165</u>

<u>Other Financing Sources (Uses)</u>	<u>2023</u>	<u>2022</u>	<u>Variance Increase/ (Decrease)</u>
Interfund Transfers, net	(\$232,039)	(\$7,970,606)	\$7,738,567
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 Appropriations	0	0	0
Totals	<u>(\$232,039)</u>	<u>(\$7,970,606)</u>	<u>\$7,738,567</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, 2023 are as follows:

<u>Asset Description</u>	<u>Net Book Value</u>
Construction in Progress	\$26,283,834
Land	895,205
Buildings and Improvements	61,251,772
Machinery and Equipment	4,046,293
Vehicles	3,638,881
Total	<u>\$96,115,985</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, 2023 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. As of June 30, 2023 the District has exhausted 16.43% of its constitutional debt limit.

<u>Debt Description</u>	<u>Outstanding Balance</u>
Bond Issues, Net of Deferred Amounts on Refundings	\$7,846,357
Unamortized Bond Premiums	148,856
Judgments and Claims	1,657,821
Workers' Compensation	458,943
Compensated Absences	234,076
Other Post-Employment Benefits (OPEB)	155,204,043
Total	<u>\$165,550,096</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 fully funded the Foundation Aid formula for the first-time in the 2023-24 school year, resulting in a significant increase in state operating aid for Niskayuna. Funding

through federal COVID Grants (CARES, CRRSA and APR) also provided additional revenue to help meet program and operational needs in recent years. The last of these grants expires shortly after the end of the current fiscal year. The sunseting of the COVID grants, combined with questions about the future level and distribution of Foundation Aid introduce a degree of uncertainty about future district revenues.

Adequate State and Federal funding will continue to be important to help schools address rising costs in areas such as pensions, health insurance and contracts. Growth in these and other costs mean that New York State public schools will need to continue to focus on sustainability and approaches that enable the preservation of student programs and services in the most cost-effective manner.

Fiscal and programmatic sustainability will require identifying cost-effective approaches and strategies and long-term planning. Such planning will also include responsible management of available reserve funds, including the Capital Reserve. 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, 2023**

**ASSETS**

Cash and cash equivalents	\$ 8,883,713
Restricted cash and cash equivalents	39,278,990
Accounts receivable	5,961,776
Inventories	27,251
Prepaid items	92,537
Capital Assets	96,115,985
Lease assets, net	2,685,081
<b>TOTAL ASSETS</b>	<b><u>\$ 153,045,333</u></b>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflows of resources	<b><u>\$ 51,702,911</u></b>
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**LIABILITIES**

Accounts payable	\$ 4,663,406
Accrued liabilities	837,477
Refundable advances	248,062
Due to other governments	151,025
Due to teachers' retirement system	4,131,360
Due to employees' retirement system	219,056
Bond anticipation notes payable	42,100,000
Other Liabilities	94,979
<b>Long-Term Obligations:</b>	
Due in one year	7,525,703
Due in more than one year	170,585,456
<b>TOTAL LIABILITIES</b>	<b><u>\$ 230,556,524</u></b>

**DEFERRED INFLOWS OF RESOURCES**

Deferred inflows of resources	<b><u>\$ 55,366,422</u></b>
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**NET POSITION**

Net investment in capital assets	\$ 71,115,570
Restricted	16,182,393
Unrestricted	(168,472,665)
<b>TOTAL NET POSITION</b>	<b><u><u>\$ (81,174,702)</u></u></b>



**NISKAYUNA CENTRAL SCHOOL DISTRICT**

**Statement of Activities**

**For The Year Ended June 30, 2023**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
General support	\$ 10,543,283	\$ 90,815	\$ -	\$ -	\$ (10,452,468)
Instruction	75,235,360	504,036	3,330,602	-	(71,400,722)
Pupil transportation	6,196,161	-	-	-	(6,196,161)
Capital outlay	-	-	-	48,230	48,230
School lunch	1,955,512	946,613	879,021	-	(129,878)
Interest	2,090,472	-	-	-	(2,090,472)
<b>Total Functions/Programs</b>	<b>\$ 96,020,788</b>	<b>\$ 1,541,464</b>	<b>\$ 4,209,623</b>	<b>\$ 48,230</b>	<b>\$ (90,221,471)</b>

**General Revenues:**

Real property taxes and tax items	\$ 62,404,286
State and federal aid	32,791,976
Investment earnings	873,686
Compensation for loss	63,328
Miscellaneous	2,940,631
<b>Total General Revenues</b>	<b>\$ 99,073,907</b>
Changes in Net Position	\$ 8,852,436
<b>Net Position, Beginning of Year</b>	<b>(90,027,138)</b>
<b>Net Position, End of Year</b>	<b>\$ (81,174,702)</b>

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**

	General Fund	Special Aid Fund	School Lunch Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 8,570,660	\$ 235,555	\$ 77,498	\$ -	\$ -	\$ -	\$ 8,883,713
Restricted cash and cash equivalents	14,752,232	-	-	160,894	1,013,695	23,352,169	39,278,990
Receivables	2,748,213	3,103,394	44,967	-	-	65,202	5,961,776
Inventories	-	-	27,251	-	-	-	27,251
Due from other funds	3,780,275	102,162	129,877	124,527	325,275	-	4,462,116
Prepaid items	92,537	-	-	-	-	-	92,537
<b>TOTAL ASSETS</b>	<b>\$ 29,943,917</b>	<b>\$ 3,441,111</b>	<b>\$ 279,593</b>	<b>\$ 285,421</b>	<b>\$ 1,338,970</b>	<b>\$ 23,417,371</b>	<b>\$ 58,706,383</b>
<b>LIABILITIES AND FUND EQUITY</b>							
<b>Liabilities -</b>							
Accounts payable	\$ 1,880,949	\$ 40,966	\$ 156,022	\$ -	\$ -	\$ 2,585,469	\$ 4,663,406
Accrued liabilities	782,183	6,376	1,443	-	-	-	790,002
Notes payable - bond anticipation notes	-	-	-	-	-	42,100,000	42,100,000
Due to other funds	232,039	3,392,388	60,365	-	99,251	678,073	4,462,116
Due to other governments	150,618	332	75	-	-	-	151,025
Due to TRS	4,131,360	-	-	-	-	-	4,131,360
Due to ERS	219,056	-	-	-	-	-	219,056
Other liabilities	94,979	-	-	-	-	-	94,979
Refundable advances	185,325	1,049	61,688	-	-	-	248,062
<b>TOTAL LIABILITIES</b>	<b>\$ 7,676,509</b>	<b>\$ 3,441,111</b>	<b>\$ 279,593</b>	<b>\$ -</b>	<b>\$ 99,251</b>	<b>\$ 45,363,542</b>	<b>\$ 56,860,006</b>
<b>Fund Equities -</b>							
Nonspendable	\$ 92,537	\$ -	\$ 27,251	\$ -	\$ -	\$ -	\$ 119,788
Restricted	14,657,253	-	-	285,421	1,239,719	-	16,182,393
Assigned	3,205,406	-	-	-	-	-	3,205,406
Unassigned	4,312,212	-	(27,251)	-	-	(21,946,171)	(17,661,210)
<b>TOTAL FUND EQUITY</b>	<b>\$ 22,267,408</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 285,421</b>	<b>\$ 1,239,719</b>	<b>\$ (21,946,171)</b>	<b>\$ 1,846,377</b>
<b>TOTAL LIABILITIES</b>							
<b>DEFERRED INFLOWS AND FUND EQUITIES</b>							
	<b>\$ 29,943,917</b>	<b>\$ 3,441,111</b>	<b>\$ 279,593</b>	<b>\$ 285,421</b>	<b>\$ 1,338,970</b>	<b>\$ 23,417,371</b>	

**Amounts reported for governmental activities in the Statement of Net Position are different because:**

Capital assets/lease assets used in governmental activities are not financial resources and therefore are not reported in the funds.	98,801,066
Interest is accrued on outstanding bonds in the statement of net position but not in the funds.	(47,475)
The following long-term obligations are not due and payable in the current period and therefore are not reported in the governmental funds:	
Serial bonds payable	(8,225,000)
Leases payable	(2,604,702)
Retainage	(942,452)
OPEB	(155,204,043)
Compensated absences	(234,076)
Premium, unamortized	(148,856)
Workers' compensation claims	(458,943)
Judgements and claims	(1,657,821)
Deferred inflow - pension	(2,230,347)
Deferred inflow - OPEB	(53,136,075)
Net pension liability	(8,635,266)
Deferred outflow - loss on refunding	378,643
Deferred outflow - pension	24,081,431
Deferred outflow - OPEB	27,242,837
<b>Net Position of Governmental Activities</b>	<b>\$ (81,174,702)</b>

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Equity**  
**Governmental Funds**  
**For The Year Ended June 30, 2023**

	<b>General</b>	<b>Special</b>	<b>School</b>	<b>Special</b>	<b>Debt</b>	<b>Capital</b>	<b>Total</b>
	<b>Fund</b>	<b>Aid</b>	<b>Lunch</b>	<b>Revenue</b>	<b>Service</b>	<b>Projects</b>	<b>Governmental</b>
	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Funds</b>
<b>REVENUES</b>							
Real property taxes and tax items	\$ 62,404,286	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,404,286
Charges for services	719,730	-	-	-	-	-	719,730
Use of money and property	862,163	-	-	2,140	9,383	-	873,686
Sale of property and compensation for loss	63,328	-	-	-	-	-	63,328
Miscellaneous	2,064,855	52,234	11,648	31,662	-	490,442	2,650,841
State sources	32,411,635	477,722	59,335	-	-	48,230	32,996,922
Federal sources	380,341	2,800,646	819,686	-	-	-	4,000,673
Sales	-	-	934,965	-	-	-	934,965
<b>TOTAL REVENUES</b>	<b>\$ 98,906,338</b>	<b>\$ 3,330,602</b>	<b>\$ 1,825,634</b>	<b>\$ 33,802</b>	<b>\$ 9,383</b>	<b>\$ 538,672</b>	<b>\$ 104,644,431</b>
<b>EXPENDITURES</b>							
General support	\$ 8,250,526	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,250,526
Instruction	47,818,148	3,077,384	-	56,981	-	-	50,952,513
Pupil transportation	4,938,573	90,390	-	-	-	-	5,028,963
Employee benefits	19,265,429	264,990	-	-	-	-	19,530,419
Debt service - principal	10,692,137	-	-	-	-	-	10,692,137
Debt service - interest	1,722,390	-	-	-	-	-	1,722,390
Cost of sales	-	-	1,955,510	-	-	-	1,955,510
Capital outlay	-	-	-	-	-	24,083,370	24,083,370
<b>TOTAL EXPENDITURES</b>	<b>\$ 92,687,203</b>	<b>\$ 3,432,764</b>	<b>\$ 1,955,510</b>	<b>\$ 56,981</b>	<b>\$ -</b>	<b>\$ 24,083,370</b>	<b>\$ 122,215,828</b>
<b>EXCESS (DEFICIENCY) OF REVENUES</b>							
<b>OVER EXPENDITURES</b>	<b>\$ 6,219,135</b>	<b>\$ (102,162)</b>	<b>\$ (129,876)</b>	<b>\$ (23,179)</b>	<b>\$ 9,383</b>	<b>\$ (23,544,698)</b>	<b>\$ (17,571,397)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers - in	\$ -	\$ 102,162	\$ 129,877	\$ -	\$ 323,908	\$ -	\$ 555,947
Transfers - out	(232,039)	-	-	-	-	(323,908)	(555,947)
Proceeds from obligations	-	-	-	-	-	970,000	970,000
Proceeds of leases	-	-	-	-	-	944,446	944,446
Premium on obligations issued	352,798	-	-	-	-	-	352,798
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 120,759</b>	<b>\$ 102,162</b>	<b>\$ 129,877</b>	<b>\$ -</b>	<b>\$ 323,908</b>	<b>\$ 1,590,538</b>	<b>\$ 2,267,244</b>
<b>NET CHANGE IN FUND EQUITY</b>	<b>\$ 6,339,894</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ (23,179)</b>	<b>\$ 333,291</b>	<b>\$ (21,954,160)</b>	<b>\$ (15,304,153)</b>
<b>FUND EQUITY, BEGINNING</b>							
<b>OF YEAR</b>	15,927,514	-	(1)	308,600	906,428	7,989	17,150,530
<b>FUND EQUITY, END OF YEAR</b>	<b>\$ 22,267,408</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 285,421</b>	<b>\$ 1,239,719</b>	<b>\$ (21,946,171)</b>	<b>\$ 1,846,377</b>

See accompany notes to financial statements.

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Reconciliation of Statement of Revenues, Expenditures, and Changes in**  
**Fund Equity of the Governmental Funds to the Statement of Activities**  
**For The Year Ended June 30, 2023**

**NET CHANGE IN FUND EQUITY -**  
**TOTAL GOVERNMENTAL FUNDS** \$ (15,304,153)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following are the amounts by which capital outlays and additions of assets in excess depreciation in the current period:

Capital Outlay	\$ 24,434,281	
Lease Additions, Net	(753,326)	
Depreciation	<u>(5,295,763)</u>	
		18,385,192

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position. The following details these items as they effect the governmental activities:

Debt Repayments	\$ 9,959,092	
Proceeds from Bond Issuance	(970,000)	
Unamortized Bond Premium	278,493	
Amortization of Deferred Loss	(715,347)	
Lease repayments	<u>733,045</u>	
		9,285,283

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 68,772

The net OPEB liability does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds. (1,457,273)

(Increase) decrease in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds

Teachers' Retirement System		(966,045)
Employees' Retirement System		(886,800)

In the Statement of Activities, vacation pay, teachers' retirement incentive and judgments and claims are measured by the amount accrued during the year. In the governmental funds, expenditures for these items are measured by the amount actually paid. The following provides the differences of these items as presented in the governmental activities:

Compensated Absences	103,340	
Workers' Compensation Claims	52,198	
Tax Certiorari Claims	<u>(428,078)</u>	
		<u>(272,540)</u>

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ 8,852,436**

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2023**

**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, 2023**

**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, 2023, the District was billed \$6,626,596 for BOCES administrative and program costs. The District's share of BOCES Aid amounted to \$2,558,062. 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, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*C. Basis of Presentation*

*District-wide statements*

Employee benefits expense charged to government functions as follows:

General Support	\$	1,800,728
Instruction		19,617,591
Pupil Transportation		1,266,680
Total	\$	<u>22,684,999</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, 2023**

**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.



**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***D. Basis of Accounting/Measurement Focus***

***General Information***

The District-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. 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 16, 2022. Taxes were collected during the period September 1 through October 31, 2022.

***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, 2023**

**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:

Tax ceritorari	\$	319,454
Total Supplemental Appropriatons	\$	319,454

- 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 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.

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***G. Budgetary Procedures and Budgetary Accounting***

***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 inventorable 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.

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.

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***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.III 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 BANs 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, 2023**

**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 the following:

	<u><b>Total</b></u>
Inventory in School Lunch	\$ 27,251
Prepaid Items in General Fund	92,537
<b>Total Nonspendable Fund Balance</b>	<u><u><b>\$ 119,788</b></u></u>

**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.

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*M. Equity Classifications*

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.

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 §6-r.

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.

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***M. Equity Classifications***

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.

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:

	<u><b>Total</b></u>
<b><u>General Fund -</u></b>	
Workers' Compensation	\$ 500,836
Unemployment Costs	229,147
Retirement Contribution - ERS	500,000
Retirement Contribution - TRS	2,108,754
Insurance	254,499
Tax Certiorari	1,588,998
Capital Reserves	9,239,923
Employee Benefit Accrued Liability	235,096
<b><u>Misc Special Revenue Fund -</u></b>	
Scholarships	285,421
<b><u>Debt Service Fund -</u></b>	
Debt Service	1,239,719
<b>Total Restricted Fund Balance</b>	<b><u><u>\$ 16,182,393</u></u></b>

**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, 2023.

**Assigned** - includes amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*M. Equity Classifications*

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. Appropriated fund equity includes the following:

	<b>Total</b>
General Fund - Encumbrances	\$ 677,803
General Fund - Appropriated for Taxes	2,527,603
<b>Total Assigned Fund Balance</b>	<b>\$ 3,205,406</b>

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:

<b><u>General Fund -</u></b>	
General Support	\$ 517,130
Instruction	129,029
Pupil Transportation	31,644
<b>Total General Fund Significant Encumbrances</b>	<b>\$ 677,803</b>

**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, 2023.



**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***M. Equity Classifications***

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

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. Post Employment 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 post employment 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.

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***O. Payables, Accrued Liabilities and Long-Term Obligations***

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:

<u>Class</u>	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 1,000	SL	15-50 Years
Land improvements	\$ 1,000	SL	20 Years
Machinery and Equipment	\$ 1,000	SL	5-25 Years
Vehicles	\$ 1,000	SL	8 Years

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

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Q. Deferred Outflows and Inflows of Resources***

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.

***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.

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***T. Vested Employee Benefits***

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, 2023, the District implemented the following new standard issued by GASB.

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.

***V. Future Changes in Accounting Standards***

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.

**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

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2023**

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

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

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.

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.

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2023**

**3. STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY**

*A. Deficit Fund Equity*

There was a deficit fund equity in the Capital Projects Fund of \$21,946,171 for the year ended June 30, 2023 which will be eliminated when permanent financing is received.

**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, 2023, 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:

- 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

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2023**

**4. DETAIL NOTES ON ALL FUNDS**

**A. Assets**

**I. Cash**

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	\$ 500,836	Workers’ Compensation Reserve
	229,147	Unemployment Insurance Reserve
	235,096	Reserve for Employee Benefit Accrued Liability
	500,000	ERS Reserve
	2,108,754	TRS Reserve
	9,239,923	Capital Reserve
	254,499	Insurance Reserve
	1,588,998	Tax Certiorari Reserve
	94,979	Extraclassroom Activity Funds
Total General Fund	<u>\$ 14,752,232</u>	
Debt Service Fund	<u>\$ 1,013,695</u>	Debt Service Payments
Special Revenue Fund	<u>\$ 160,894</u>	Scholarships and Memorials
Capital Projects Fund	<u>\$ 23,352,169</u>	Voter Approved Projects

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2023**

**4. DETAIL NOTES ON ALL FUNDS**

**A. Assets**

**II. Receivables**

Receivable balances for the year ended June 30, 2023 are:

<u>Description</u>	<u>Governmental Activities</u>				<u>Total</u>
	<u>General Fund</u>	<u>Special Aid Fund</u>	<u>Capital Projects Fund</u>	<u>School Lunch Fund</u>	
Accounts Receivable	\$ 498,588	\$ -	\$ -	\$ -	\$ 498,588
Due From State and Federal	900,525	3,103,394	65,202	44,967	4,114,088
Due From Other Governments	1,349,100	-	-	-	1,349,100
Other	-	-	-	-	-
Allowance for Uncollectible Accounts	-	-	-	-	-
<b>Total Receivables</b>	<b>\$ 2,748,213</b>	<b>\$ 3,103,394</b>	<b>\$ 65,202</b>	<b>\$ 44,967</b>	<b>\$ 5,961,776</b>

**III. 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, 2023 are as follows:

	<u>Interfund</u>			
	<u>Receivables</u>	<u>Payables</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 3,780,275	\$ 232,039	\$ -	\$ 232,039
Special Aid Fund	102,162	3,392,388	102,162	-
School Lunch Fund	129,877	60,365	129,877	-
Special Revenue Fund	124,527	-	-	-
Debt Service Fund	325,275	99,251	323,908	-
Capital Projects Fund	-	678,073	-	323,908
<b>Total</b>	<b>\$ 4,462,116</b>	<b>\$ 4,462,116</b>	<b>\$ 555,947</b>	<b>\$ 555,947</b>

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.

**IV. Capital Assets**

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



**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2023**

**4. DETAIL NOTES ON ALL FUNDS**

**A. Assets**

**IV. Capital Assets**

<u>Type</u>	<u>Balance</u> <u>7/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2023</u>
<b>Governmental Activities:</b>				
<b><u>Capital Assets that are not Depreciated -</u></b>				
Land	\$ 895,205	\$ -	\$ -	\$ 895,205
Work in progress	7,152,147	22,086,868	2,955,181	26,283,834
<b>Total Nondepreciable</b>	<u>\$ 8,047,352</u>	<u>\$ 22,086,868</u>	<u>\$ 2,955,181</u>	<u>\$ 27,179,039</u>
<b><u>Capital Assets that are Depreciated -</u></b>				
Buildings and Improvements	\$ 126,442,660	\$ 4,879,737	\$ -	\$ 131,322,397
Vehicles	\$ 10,595,024	993,795	-	11,588,819
Machinery and equipment	12,713,629	143,777	-	12,857,406
<b>Total Depreciated Assets</b>	<u>\$ 149,751,313</u>	<u>\$ 6,017,309</u>	<u>\$ -</u>	<u>\$ 155,768,622</u>
<b><u>Less Accumulated Depreciation -</u></b>				
Buildings and Improvements	\$ 66,087,929	\$ 3,982,696	\$ -	\$ 70,070,625
Vehicles	\$ 7,156,155	793,783	-	7,949,938
Machinery and equipment	8,291,829	519,284	-	8,811,113
<b>Total Accumulated Depreciation</b>	<u>\$ 81,535,913</u>	<u>\$ 5,295,763</u>	<u>\$ -</u>	<u>\$ 86,831,676</u>
<b>Total Capital Assets Depreciated, Net of Accumulated Depreciation</b>	<u>\$ 68,215,400</u>	<u>\$ 721,546</u>	<u>\$ -</u>	<u>\$ 68,936,946</u>
<b>Total Capital Assets</b>	<u><u>\$ 76,262,752</u></u>	<u><u>\$ 22,808,414</u></u>	<u><u>\$ 2,955,181</u></u>	<u><u>\$ 96,115,985</u></u>

Depreciation expense charged to governmental functions as follows:

General Support	\$ 187,956
Instruction	4,213,493
Pupil Transportation	894,314
Total	<u><u>\$ 5,295,763</u></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, 2023**

**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.nystrs.org](http://www.nystrs.org).

*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](http://www.osc.state.ny.us/retire/publications/index.php).

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2023**

**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.

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

<u>Contributions</u>	<u>ERS</u>	<u>TRS</u>
2023	\$ 752,009	\$ 3,487,347
2022	1,009,186	3,355,945
2021	977,868	3,107,240

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

At June 30, 2023, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2023 for ERS and June 30, 2022 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, 2022 for ERS and June 30, 2021 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>
Measurement date	March 31, 2023	June 30, 2022
Net pension assets/(liability)	\$ (4,780,734)	\$ (3,854,532)
District's portion of the Plan's total net pension asset/(liability)	0.02222940%	0.200873%

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2023**

**4. DETAIL NOTES ON ALL FUNDS**

*B. Liabilities*

*I. Pension Plans*

*Pension Expense (Credit)*

For the year ended June 30, 2023, the District recognized its proportionate share of pension expense of \$1,671,125 for ERS and \$4,890,508 for TRS.

Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2023, 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 experience	\$ 509,186	\$ 4,039,062	\$ 134,261	\$ 77,238
Changes of assumptions	2,321,833	7,477,141	25,661	1,552,715
Net difference between projected and actual earnings on pension plan investments	-	4,980,422	28,087	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	40,309	363,062	93,053	319,332
Subtotal	\$ 2,871,328	\$ 16,859,687	\$ 281,062	\$ 1,949,285
District's contributions subsequent to the measurement date	219,056	4,131,360	-	-
<b>Grand Total</b>	<b>\$ 3,090,384</b>	<b>\$ 20,991,047</b>	<b>\$ 281,062</b>	<b>\$ 1,949,285</b>

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2023**

**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, 2024 for ERS and June 30, 2023 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</u>	<u>ERS</u>	<u>TRS</u>
2023	\$ -	\$ 2,846,829
2024	608,212	1,486,495
2025	(276,751)	(638,305)
2026	960,877	9,808,771
2027	1,297,928	1,310,792
Thereafter	-	95,820
<b>Total</b>	<b><u><u>\$ 2,590,266</u></u></b>	<b><u><u>\$ 14,910,402</u></u></b>

*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, 2023	June 30, 2022
Actuarial valuation date	April 1, 2022	June 30, 2021
Interest rate	5.90%	6.95%
Salary scale	4.40%	5.18%-1.95%
Decrement tables	April 1, 2015- March 31, 2020 System's Experience	July 1, 2015- June 30, 2020 System's Experience
Inflation rate	2.90%	2.40%
COLA's	1.50%	1.30%

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2023**

**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-2021. 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, 2022 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, 2021 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:

<b>Long Term Expected Rate of Return</b>		
	<b>ERS</b>	<b>TRS</b>
Measurement date	March 31, 2023	June 30, 2022
<b><u>Asset Type -</u></b>		
Domestic equity	4.30%	6.50%
International equity	6.85%	7.20%
Global equity	0.00%	6.90%
Private equity	7.50%	9.90%
Real estate	4.60%	6.20%
Opportunistic/ARS portfolios	5.38%	0.00%
Real assets	5.84%	0.00%
Cash	0.00%	-0.30%
Fixed income	1.50%	0.00%
Private debt	0.00%	5.30%
Real estate debt	0.00%	2.40%
High-yield fixed income securities	0.00%	3.30%
Domestic fixed income securities	0.00%	1.10%
Global fixed income securities	0.00%	0.60%
Credit	5.43%	0.00%

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2023**

**4. DETAIL NOTES ON ALL FUNDS**

***B. Liabilities***

***I. Pension Plans***

*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:

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

<u><b>ERS</b></u>	<b>1% Decrease (4.90%)</b>	<b>Current Assumption (5.90%)</b>	<b>1% Increase (6.90%)</b>
Employer's proportionate share of the net pension asset (liability)	\$ (11,552,983)	\$ (4,780,734)	\$ 878,268
<u><b>TRS</b></u>	<b>1% Decrease (5.95%)</b>	<b>Current Assumption (6.95%)</b>	<b>1% Increase (7.95%)</b>
Employer's proportionate share of the net pension asset (liability)	\$ (35,540,596)	\$ (3,854,532)	\$ (22,793,239)

*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

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
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**4. DETAIL NOTES ON ALL FUNDS**

***B. Liabilities***

***I. Pension Plans***

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, 2023 is \$1,666,837 for ERS and \$4,823,713 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 31<sup>st</sup>. Accrued retirement contributions as of June 30, 2023 represent the projected employer contribution for the period of April 1, 2023 through June 30, 2023 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2023 amounted to \$219,056.

*Payables to the Pension Plan*

For TRS, employer and employee contributions for the fiscal year ended June 30, 2023 are paid to the System in September, October and November 2023 through a state aid intercept. Accrued retirement contributions as of June 30, 2023 represent employee and employer contributions for the fiscal year ended June 30, 2023 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2023 amounted to \$4,131,360.

*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.



**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2023**

**4. DETAIL NOTES ON ALL FUNDS**

**B. Liabilities**

**II. Indebtedness**

Changes in Short-term Debt

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance 7/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2023</u>
BAN	6/28/2023	4.00%	\$ 26,100,000	\$ -	\$ 26,100,000	\$ -
BAN	6/28/2024	4.50%	-	42,100,000	-	42,100,000
<b>Total Short-Term Debt</b>			<b><u>\$ 26,100,000</u></b>	<b><u>\$ 42,100,000</u></b>	<b><u>\$ 26,100,000</u></b>	<b><u>\$ 42,100,000</u></b>

No interest has been accrued for this BAN due to issuance date of 6/28/23. Interest paid on short-term debt amounted to \$1,044,000 for the year ended June 30, 2023.

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.

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

Interest Paid	\$ 678,390
Less: Interest Accrued in the Prior Year	(116,247)
Plus: Interest Accrued in the Current Year	47,475
Amortization of deferrals on advance refunding	715,347
Amortization of premiums	(278,493)
<b>Total Long-Term Interest Expense</b>	<b><u>\$ 1,046,472</u></b>

Lease interest expense amounted to \$65,603.

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, 2023, \$9.8 million of the 2014 bonds, \$0.7 million of the 2016 bonds, and \$1.22 million of the 2021 bonds outstanding are considered defeased.

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
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**4. DETAIL NOTES ON ALL FUNDS**

**B. Liabilities**

**II. Indebtedness**

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).

3. Changes

The changes in the District's indebtedness during the year ended June 30, 2023 are summarized as follows:

	<u>Balance</u> <u>7/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2023</u>	<u>Due Within</u> <u>One Year</u>
<b><u>Governmental Activities:</u></b>					
<b><u>Bonds and Notes Payable -</u></b>					
Serial Bonds	\$ 17,214,092	\$ 970,000	\$ 9,959,092	\$ 8,225,000	\$ 5,625,000
Less Deferred Amounts on Refunding*	(1,093,990)	-	(715,347)	(378,643)	-
Unamortized Bond Premium	427,349	-	278,493	148,856	97,585
Lease Liabilities (Note 8)	2,393,301	944,446	733,045	2,604,702	861,666
<b>Total Bonds and Notes Payable</b>	<u>\$ 18,940,752</u>	<u>\$ 1,914,446</u>	<u>\$ 10,255,283</u>	<u>\$ 10,599,915</u>	<u>\$ 6,584,251</u>
<b><u>Other Liabilities -</u></b>					
Net Pension Liability	\$ -	\$ 8,635,266	\$ -	\$ 8,635,266	\$ -
OPEB (Note 6)	153,408,567	15,744,417	13,948,941	155,204,043	-
Judgments and Claims	1,229,743	428,078	-	1,657,821	-
Workers' Compensation	511,141	-	52,198	458,943	-
Retainage Payable	227,737	852,222	137,507	942,452	942,452
Compensated Absences	337,416	-	103,340	234,076	-
<b>Total Other Liabilities</b>	<u>\$ 155,714,604</u>	<u>\$ 25,659,983</u>	<u>\$ 14,241,986</u>	<u>\$ 167,132,601</u>	<u>\$ 942,452</u>
<b>Total Long-Term Obligations</b>	<u>\$ 174,655,356</u>	<u>\$ 27,574,429</u>	<u>\$ 24,497,269</u>	<u>\$ 177,732,516</u>	<u>\$ 7,526,703</u>

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

\* This item is recorded as a deferred outflows on the statement of net position.

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2023**

**4. DETAIL NOTES ON ALL FUNDS**

**B. Liabilities**

**II. Indebtedness**

4. Maturity

The following is a summary of maturity of indebtedness:

<u>Description</u>	<u>Original Amount</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding 6/30/2023</u>
Bus Garage Advanced Refunding	\$ 1,635,000	2021	2028	1.50 - 4.00%	\$ 1,180,000
Renovations - Advanced	\$ 40,735,000	2014	2024	2.00 - 4.50%	3,375,000
Renovations - Advanced	\$ 3,245,000	2016	2024	1.00 - 4.00%	675,000
Finance School Buses	\$ 960,880	2021	2025	0.75%	490,000
Renovation	\$ 4,448,000	2019	2029	4.00%	500,000
Finance School Buses	\$ 921,787	2019	2024	0.5 - 2.37%	255,000
Finance School Buses	\$ 974,092	2021	2026	1.00%	780,000
Finance School Buses	\$ 970,000	2022	2027	3.75 - 4.00%	970,000
<b>Total Serial Bonds</b>					<b>\$ 8,225,000</b>

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

<u>Year</u>	<u>Serial Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Premium</u>
2024	\$ 5,625,000	\$ 281,312	\$ 97,585
2025	1,010,000	69,506	19,474
2026	765,000	50,513	14,960
2027	515,000	33,000	10,362
2028	280,000	12,400	5,765
2029-33	30,000	1,200	710
<b>Total</b>	<b>\$ 8,225,000</b>	<b>\$ 447,931</b>	<b>\$ 148,856</b>

The District has authorized but unissued debt in the amount of \$1,525,000 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, 2023, the District has exhausted 16.43% of its constitutional debt limit.

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2023**

**4. DETAIL NOTES ON ALL FUNDS**

***B. Liabilities***

***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, 2023 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, 2023. The District estimates the liability for unpaid health insurance claims to be \$447,913 at June 30, 2023.

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.

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

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 \$13,486 for the year ended June 30, 2023. 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, 2023.

All known claims filed and an estimate of all incurred but unreported claims existing at June 30, 2023 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

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2023**

**4. DETAIL NOTES ON ALL FUNDS**

***B. Liabilities***

***III. Self-Insurance***

*Health and Dental Insurance*

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:

	<u><b>2023</b></u>	<u><b>2022</b></u>
Unpaid claims and claim adjustment expenses at beginning of year	\$ 1,004,870	\$ 1,129,060
Incurred claims and claim adjustment expenses:		
Provision for incurred claims expenditures for events for the current year	10,464,387	11,198,154
Increase (decrease) in provision for incurred events of prior years	-	-
Total incurred claims and claim adjustment expenses	<u>11,469,257</u>	<u>12,327,214</u>
Payments made for claims during the current year	<u>(11,007,858)</u>	<u>(11,322,344)</u>
Total unpaid claims and claim adjustment expenses at end of year	<u><u>\$ 461,399</u></u>	<u><u>\$ 1,004,870</u></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.

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2023**

**4. DETAIL NOTES ON ALL FUNDS**

***B. Liabilities***

***III. Self-Insurance***

*Workers' Compensation Insurance*

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:

	<u>2023</u>	<u>2022</u>
Unpaid claims and claim adjustment expenses at beginning of year	\$ 511,141	\$ 381,418
Incurred claims and claim adjustment expenses:		
Provision for incurred claims expenditures for events for the current year	230,907	309,822
Increase (decrease) in provision for incurred events of prior years	<u>(94,903)</u>	<u>106,093</u>
Total incurred claims and claim adjustment expenses	647,145	797,333
Payments made for claims during the current year	<u>(188,202)</u>	<u>(286,192)</u>
Total unpaid claims and claim adjustment expenses at end of year	<u><u>\$ 458,943</u></u>	<u><u>\$ 511,141</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.

***V. Deferred Outflows and Inflows of Resources***

The deferred outflows and inflows of resources reported on the statement of net position consist of the following:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Pension	\$ 24,081,431	\$ 2,230,347
Bonds	378,643	-
OPEB	27,242,837	53,136,075
<b>Total</b>	<u><u>\$ 51,702,911</u></u>	<u><u>\$ 55,366,422</u></u>

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2023**

**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.

**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 450 retirees and surviving spouses was approximately \$4,700,000.

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".

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2023**

**6. OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS PAYABLE**

*Covered Employees*

At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	450
Inactive employees entitled to but not yet receiving benefit payments	-
Active Employees	536
<b>Total</b>	<b>986</b>

*Net OPEB Liability*

The District's net OPEB liability was measured as of June 30, 2023; the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022.

*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	2.70%
Salary Increases	Varied by years of service and retirement system
Discount Rate	4.13%
Healthcare Cost Trend Rates	
Medical	6.75% initial rate decreasing to an ultimate rate of 4.14% by 2076.
Dental	3.50% 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-2021.

The discount rate was based on the S+P Municipal Bond 20-year High Grade Index.

*Changes in the Net OPEB Liability*

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

Balance at June 30, 2022	\$ 153,408,567
<u>Changes for the Year -</u>	
Service cost	\$ 5,554,817
Interest	5,545,398
Changes of benefit terms	-
Differences between expected and actual experience	4,644,202
Changes in assumptions or other inputs	(9,280,926)
Benefit payments	(4,668,015)
Net Changes	\$ 1,795,476
<b>Balance at June 30, 2023</b>	<b>\$ 155,204,043</b>



**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2023**

**6. OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS PAYABLE**

*Changes in the Net OPEB Liability*

The Changes noted above are a result of the change in mortality tables from MP-2020 to MP-2021, updating medical and prescription drug trend rates from 2020 Getzen to 2022 Getzen models, change in discount rate from 3.54% to 4.13% and change in rate index from Bond Buyer 20-Bond GO Index to S+P Municipal Bond 20-year High Grade Index.

*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 (3.13%) or 1 percentage point higher (5.13%) than the current discount rate:

	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
	<b><u>(3.13%)</u></b>	<b><u>(4.13%)</u></b>	<b><u>(5.13%)</u></b>
Total OPEB Liability	\$ 182,884,898	\$ 155,204,043	\$ 133,204,755

*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:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
	<b>(5.75%</b>	<b>(6.75%</b>	<b>(7.75%</b>
	<b>Decreasing</b>	<b>Decreasing</b>	<b>Decreasing</b>
	<b><u>to 3.14%</u></b>	<b><u>to 4.14%</u></b>	<b><u>to 5.14%</u></b>
Total OPEB Liability	\$ 129,989,635	\$ 155,204,043	\$ 187,900,665

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$6,125,288. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 6,141,352	\$ 4,803,726
Changes of assumptions	21,101,485	48,332,349
<b>Total</b>	<b><u>\$ 27,242,837</u></b>	<b><u>\$ 53,136,075</u></b>

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2023**

**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</u>	
2024	\$ (4,974,927)
2025	(3,034,582)
2026	(2,692,848)
2027	(7,696,909)
2028	(6,831,588)
Thereafter	(662,384)
<b>Total</b>	<b><u><u>\$ (25,893,238)</u></u></b>

**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 \$385,142. The District received Payments in Lieu of Tax (PILOT) totaling \$198,655.

**8. LEASE OBLIGATIONS**

**Lease Assets**

A summary of the lease asset activity during the year ended June 30, 2023 is as follows:

<u>Type</u>	<u>Balance</u> <u>7/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2023</u>
<b><u>Lease Assets:</u></b>				
Machinery and equipment	\$ 3,211,115	\$ 1,098,876	\$ -	\$ 4,309,991
<i>Total Lease Assets</i>	<u>\$ 3,211,115</u>	<u>\$ 1,098,876</u>	<u>\$ -</u>	<u>\$ 4,309,991</u>
<b><u>Less Accumulated Amortization -</u></b>				
Machinery and equipment	\$ 717,154	\$ 907,756	\$ -	\$ 1,624,910
<i>Total Accumulated Amortization</i>	<u>\$ 717,154</u>	<u>\$ 907,756</u>	<u>\$ -</u>	<u>\$ 1,624,910</u>
<i>Total Lease Assets, Net</i>	<u><u>\$ 2,493,961</u></u>	<u><u>\$ 191,120</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,685,081</u></u>

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2023**

**8. LEASE OBLIGATIONS**

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, 2023</u>
Machinery and equipment	7/24/2018	5 years	\$ 7,259	3.20%	\$ 15,698	\$ 1,800
Machinery and equipment	5/21/2021	4 years	144,972	2.26%	553,710	282,697
Machinery and equipment	5/26/2020	5 years	165,811	1.51%	485,426	164,256
Machinery and equipment	7/23/2021	5 years	69,590	2.47%	326,226	216,669
Machinery and equipment	4/19/2022	4 years	265,404	3.99%	976,914	746,748
Machinery and equipment	5/20/2022	4 years	88,327	4.10%	325,494	248,086
Machinery and equipment	4/24/2023	5 years	52,792	4.31%	944,446	<u>944,446</u>
Total Lease Agreements						<u><u>\$ 2,604,702</u></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:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 861,666	\$ 85,423
2025	721,510	57,952
2026	601,733	32,757
2027	214,213	14,352
2028	205,580	5588
	<u><u>\$ 2,604,702</u></u>	<u><u>\$ 196,072</u></u>

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2023**

**9. SUBSEQUENT EVENTS**

The District has evaluated subsequent events through October 10, 2023, which is the date these financial statements were issued. All subsequent events requiring recognition or disclosure as of June 30, 2023, 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, 2023**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Current Year's Revenues</u>	<u>Over (Under) Revised Budget</u>
<b>REVENUES</b>				
<b>Local Sources -</b>				
Real property taxes	\$ 59,319,713	\$ 59,319,713	\$ 59,316,482	\$ (3,231)
Real property tax items	2,904,135	2,904,135	3,087,804	183,669
Charges for services	681,200	681,200	719,730	38,530
Use of money and property	592,735	592,735	862,163	269,428
Sale of property and compensation for loss	35,000	35,000	63,328	28,328
Miscellaneous	1,488,065	1,488,065	2,064,855	576,790
<b>State Sources -</b>				
Basic formula	29,203,315	29,203,315	21,899,286	(7,304,029)
Lottery aid	-	-	7,461,908	7,461,908
BOCES	2,411,466	2,411,466	2,558,062	146,596
Textbooks	253,830	253,830	255,718	1,888
<b>All Other Aid -</b>				
Computer software	133,956	133,956	139,067	5,111
Library loan	27,049	27,049	27,606	557
Handicapped students	-	-	61,988	61,988
Other aid	-	-	8,000	8,000
<b>Federal Sources</b>	<u>275,000</u>	<u>275,000</u>	<u>380,341</u>	<u>105,341</u>
<b>TOTAL REVENUES</b>	<u>\$ 97,325,464</u>	<u>\$ 97,325,464</u>	<u>\$ 98,906,338</u>	<u>\$ 1,580,874</u>
<b>Other Sources -</b>				
Premium on obligations	\$ -	\$ -	\$ 352,798	\$ 352,798
Transfer - in	-	-	-	-
<b>TOTAL REVENUES AND OTHER SOURCES</b>	<u>\$ 97,325,464</u>	<u>\$ 97,325,464</u>	<u>\$ 99,259,136</u>	<u>\$ 1,933,672</u>
Appropriated reserves	\$ -	\$ 319,454		
Appropriated fund balance	\$ 2,527,603	\$ 2,527,603		
Prior year encumbrances	\$ 301,037	\$ 301,037		
<b>TOTAL REVENUES AND APPROPRIATED RESERVES/ FUND EQUITY</b>	<u><u>\$ 100,154,104</u></u>	<u><u>\$ 100,473,558</u></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, 2023**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Current Year's Expenditures</u>	<u>Encumbrances</u>	<u>Unencumbered Balances</u>
<b>EXPENDITURES</b>					
<b>General Support -</b>					
Board of education	\$ 50,931	\$ 50,931	\$ 32,309	\$ -	\$ 18,622
Central administration	468,075	463,923	436,765	-	27,158
Finance	845,704	1,048,476	983,847	22,494	42,135
Staff	1,163,278	1,044,500	878,408	-	166,092
Central services	5,451,730	5,744,867	4,601,214	494,636	649,017
Special items	1,027,088	1,362,764	1,317,983	-	44,781
<b>Instructional -</b>					
Instruction, administration and improvement	3,589,500	3,760,643	3,530,761	32,606	197,276
Teaching - regular school	26,942,115	27,190,608	25,987,674	28,235	1,174,699
Programs for children with handicapping conditions	10,446,219	10,568,549	9,896,439	-	672,110
Occupational education	735,603	635,311	624,932	-	10,379
Teaching - special schools	246,940	226,565	145,942	-	80,623
Instructional media	4,192,772	3,569,745	3,332,263	31,207	206,275
Pupil services	4,652,043	4,730,062	4,300,137	36,981	392,944
<b>Pupil Transportation</b>	5,287,679	5,443,174	4,938,573	31,644	472,957
<b>Community Services</b>	-	-	-	-	-
<b>Employee Benefits</b>	23,535,797	21,888,681	19,265,429	-	2,623,252
<b>Debt service - principal</b>	9,959,092	10,692,137	10,692,137	-	-
<b>Debt service - interest</b>	1,284,538	1,722,391	1,722,390	-	1
<b>TOTAL EXPENDITURES</b>	<u>\$ 99,879,104</u>	<u>\$ 100,143,327</u>	<u>\$ 92,687,203</u>	<u>\$ 677,803</u>	<u>\$ 6,778,321</u>
<b>Other Uses -</b>					
Transfers - out	\$ 275,000	\$ 330,231	\$ 232,039	\$ -	\$ 98,192
<b>TOTAL EXPENDITURES AND OTHER USES</b>	<u>\$ 100,154,104</u>	<u>\$ 100,473,558</u>	<u>\$ 92,919,242</u>	<u>\$ 677,803</u>	<u>\$ 6,876,513</u>
<b>NET CHANGE IN FUND EQUITY</b>	\$ -	\$ -	\$ <b>6,339,894</b>		
<b>FUND EQUITY, BEGINNING OF YEAR</b>	<u>15,927,514</u>	<u>15,927,514</u>	<u>15,927,514</u>		
<b>FUND EQUITY, END OF YEAR</b>	<u><u>\$ 15,927,514</u></u>	<u><u>\$ 15,927,514</u></u>	<u><u>\$ 22,267,408</u></u>		

NISKAYUNA CENTRAL SCHOOL DISTRICT  
**Required Supplementary Information**  
**Schedule of Changes in Total OPEB Liability**  
**For The Year Ended June 30, 2023**

<b>TOTAL OPEB LIABILITY</b>						
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 5,554,817	\$ 8,159,245	\$ 7,739,757	\$ 4,955,666	\$ 4,271,208	\$ 4,485,736
Interest	5,545,398	4,196,989	4,196,078	4,931,803	5,246,265	4,696,671
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experiences	4,644,202	244,834	3,418,755	75,024	(12,809,936)	-
Changes of assumptions or other inputs	(9,280,926)	(43,429,250)	(7,611,923)	40,045,731	10,504,085	(6,616,062)
Benefit payments	<u>(4,668,015)</u>	<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>
<b>Net Change in Total OPEB Liability</b>	<b>\$ 1,795,476</b>	<b>\$ (34,626,009)</b>	<b>\$ 4,090,351</b>	<b>\$ 46,804,777</b>	<b>\$ 4,510,514</b>	<b>\$ 307,684</b>
<b>Total OPEB Liability - Beginning</b>	<b>\$ <u>153,408,567</u></b>	<b>\$ <u>188,034,576</u></b>	<b>\$ <u>183,944,225</u></b>	<b>\$ <u>137,139,448</u></b>	<b>\$ <u>132,628,934</u></b>	<b>\$ <u>132,321,250</u></b>
<b>Total OPEB Liability - Ending</b>	<b>\$ <u><u>155,204,043</u></u></b>	<b>\$ <u><u>153,408,567</u></u></b>	<b>\$ <u><u>188,034,576</u></u></b>	<b>\$ <u><u>183,944,225</u></u></b>	<b>\$ <u><u>137,139,448</u></u></b>	<b>\$ <u><u>132,628,934</u></u></b>
 Covered Employee Payroll	 \$ 37,113,889	 \$ 46,032,971	 \$ 43,892,500	 \$ 36,000,594	 \$ 34,594,222	 \$ 35,706,244
 Total OPEB Liability as a Percentage of Covered Employee Payroll	 418.18%	 333.26%	 428.40%	 510.95%	 396.42%	 371.44%

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present.

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Schedules of Proportionate Share of the Net Pension Liability (Asset)**  
**For The Year Ended June 30, 2023**

**NYSERS Pension Plan**

	<u>2023</u>	<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 (assets)	0.0229%	0.0200%	0.0200%	0.0200%	0.0200%	0.0200%	0.0200%	0.0200%	0.0200%
Proportionate share of the net pension liability (assets)	\$ 4,780,734	\$ (1,868,870)	\$ 23,142	\$ 6,315,055	\$ 1,712,653	\$ 783,104	\$ 2,275,210	\$ 3,620,757	\$ 773,633
Covered-employee payroll	\$ 7,321,433	\$ 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 (assets) as a percentage of its covered-employee payroll	65.298%	-27.160%	0.341%	85.904%	23.830%	10.947%	27.562%	44.745%	12.627%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

**NYSTRS Pension Plan**

	<u>2023</u>	<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 (assets)	0.2009%	0.2000%	0.2000%	0.2000%	0.2000%	0.2000%	0.2000%	0.1900%	0.1900%
Proportionate share of the net pension liability (assets)	\$ 3,854,532	\$ (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	\$ 37,537,176	\$ 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 (assets) as a percentage of its covered-employee payroll	10.269%	-99.623%	18.834%	-14.579%	-10.399%	-4.569%	6.566%	-63.654%	-76.112%
Plan fiduciary net position as a percentage of the total pension liability	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present.



**NISKAYUNA CENTRAL SCHOOL DISTRICT**

**Required Supplementary Information**

**Schedules of District Contributions**

**For The Year Ended June 30, 2023**

**NYSERS Pension Plan**

	<u>2023</u>	<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 contributions	\$ 752,009	\$ 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	(752,009)	(1,009,186)	(977,868)	(978,833)	(1,004,591)	(1,008,652)	(957,626)	(996,212)	(919,814)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 7,321,433	\$ 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	10.27%	14.67%	14.41%	13.32%	13.98%	14.10%	11.60%	12.31%	15.01%

**NYSTRS Pension Plan**

	<u>2023</u>	<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 contributions	\$ 3,487,347	\$ 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	(3,487,347)	(3,355,945)	(3,107,240)	(3,556,399)	(3,164,725)	(3,695,445)	(4,070,599)	(5,091,418)	(4,588,404)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 37,537,176	\$ 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	9.29%	9.30%	10.25%	9.95%	9.18%	11.16%	12.54%	16.14%	16.40%

10 years of historical information is not available, and will be added each year subsequent to the year of implementation until 10 years of historical data is present.

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Supplementary Information**  
**Schedule of Change From Adopted Budget To Final Budget**  
**And Schedule of Section 1381 Real Property Tax Law Limit Calculation**  
**For The Year Ended June 30, 2023**

**CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET:**

Adopted budget		\$ 99,853,067
Prior year's encumbrances		<u>301,037</u>
<b>Original Budget</b>		<b>\$ 100,154,104</b>
Budget revisions -		
Tax Certiorari Reserve		<u>319,454</u>
<b>FINAL BUDGET</b>		<b><u><u>\$ 100,473,558</u></u></b>

**SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION:**

2023-24 voter approved expenditure budget		\$ 107,805,164
<u>Unrestricted fund balance:</u>		
Assigned fund balance	\$ <u>3,205,406</u>	
Unassigned fund balance	<u>4,312,212</u>	
Total Unrestricted fund balance	\$ <u>7,517,618</u>	
<u>Less adjustments:</u>		
Appropriated fund balance	\$ 2,527,603	
Encumbrances included in assigned fund balance	<u>677,803</u>	
Total adjustments	\$ <u>3,205,406</u>	
General Fund fund balance subject to Section 1318 of		
Real Property Tax Law		<u>4,312,212</u>
<b>ACTUAL PERCENTAGE</b>		<b><u><u>4.00%</u></u></b>

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Supplementary Information**  
**CAPITAL PROJECTS FUND**  
**Schedule of Project Expenditures**  
**For The Year Ended June 30, 2023**

Project Title	Expenditures					Unexpended Balance	Methods of Financing				Fund Balance
	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total		Obligations	Local Sources	State 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
School Buses Purchases	970,000	970,000	-	965,271	965,271	4,729	970,000	-	-	970,000	4,729
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	-	246,500	46,692	164,716	211,408	35,092	-	-	-	-	(211,408)
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 # 1016	2,175,000	3,851,754	86,502	344,595	431,097	3,420,657	-	-	-	-	(431,097)
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	388,335	44,392	271,181	315,573	72,762	-	-	-	-	(315,573)
Glencleft ES Phase 1A* SED Project # 3016	1,444,000	1,624,023	1,036,359	346,033	1,382,392	241,631	-	1,444,000	-	1,444,000	61,608
Glencleft ES Phase 1B SED Project # 3015	128,000	128,000	44,696	-	44,696	83,304	20,981	23,715	-	44,696	-
Glencleft ES Phase 1C* SED Project # 3017	40,000	129,874	29,654	66,484	96,138	33,736	-	-	-	-	(96,138)
Rosendale ES Phase 1A* SED Project # 4014	1,351,000	1,614,150	936,237	580,102	1,516,339	97,811	-	1,351,000	-	1,351,000	(165,339)
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	1,385,500	230,598	452,387	682,985	702,515	-	-	-	-	(682,985)
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	1,794,749	690,335	732,798	1,423,133	371,616	-	1,794,749	-	1,794,749	371,616
NHS Phase 1A* SED Project # 6029	386,000	439,028	384,647	174,300	558,947	(119,919)	-	386,000	-	386,000	(172,947)
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	13,955,984	3,166,659	8,402,730	11,569,389	2,386,595	-	2,751,391	-	2,751,391	(8,817,998)
NHS Phase 1C* SED Project # 6031	177,000	1,492,105	67,445	827,616	895,061	597,044	-	490,442	-	490,442	(404,619)
NHS Transformer Mitigation SED Project # 6027	900,000	90,000	514,662	-	514,662	(424,662)	-	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	-	65,225	40,492	47,165	87,657	(22,432)	-	-	-	-	(87,657)
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	30,122,500	1,410,004	9,715,319	11,125,323	18,997,177	-	-	-	-	(11,125,323)
Pre-Referendum Costs	-	-	80,223	-	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	629,585	48,230	677,815	83,888	-	-	677,815	677,815	-
Lease Expense	-	-	2,114,058	944,443	3,058,501	(3,058,501)	-	3,058,504	-	3,058,504	3
Bond Premium	-	-	-	-	-	-	323,908	-	-	323,908	323,908
Interfund Transfer to Debt Service	-	-	-	323,908	323,908	(323,908)	-	-	-	-	(323,908)
<b>TOTAL</b>	<b>\$ 34,821,725</b>	<b>\$ 66,269,396</b>	<b>\$ 18,220,006</b>	<b>\$ 24,407,278</b>	<b>\$ 42,627,284</b>	<b>\$ 23,642,112</b>	<b>\$ 6,811,784</b>	<b>\$ 12,709,815</b>	<b>\$ 1,159,514</b>	<b>\$ 20,681,113</b>	<b>\$ (21,946,171)</b>

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**Supplementary Information**  
**Net Investment in Capital Assets**  
**For The Year Ended June 30, 2023**

<b>Capital assets, net</b>		\$ 98,801,066
 <b>Add:</b>		
Deferred loss on refunding	\$ 378,643	
Capital projects fund - restricted cash	<u>23,352,169</u>	
		23,730,812
 <b>Deduct:</b>		
Bond payable	\$ 8,225,000	
Bond anticipation note	42,100,000	
Retainage payable	942,452	
Unamortized bond premium	<u>148,856</u>	
		<u>51,416,308</u>
 <b>Net Investment in Capital Assets</b>		 <b><u><u>\$ 71,115,570</u></u></b>



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 the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), 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, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated October 10, 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. However, material weaknesses or significant deficiencies may exist that were not identified.

### ***Report on Compliance and Other Matters***

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

### ***Purpose of this Report***

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

*Mengel, Metzger, Barw & Co. LLP*

Latham, NY  
October 10, 2023



BUSINESS  
ADVISORS  
AND CPAS

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR  
EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH 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 Niskayuna Central School District’s (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2023. 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, Niskayuna Central School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the 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 other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District’s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the 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 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 2023-001 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, Baw & Co. LLP*

Latham, NY  
October 10, 2023

**Supplementary Information**  
**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For The Year Ended June 30, 2023**

<u>Grantor / Pass - Through Agency</u> <u>Federal Award Cluster / Program</u>	<u>Federal Assistance Listing Number</u>	<u>Grantor Number</u>	<u>Pass-Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
<b><u>U.S. Department of Education:</u></b>				
<b><u>Indirect Programs:</u></b>				
<b><u>Passed Through NYS Education Department -</u></b>				
<b><u>Special Education Cluster IDEA -</u></b>				
Special Education - Grants to States (IDEA, Part B)	84.027	0032-23-0830	-	\$ 836,494
COVID-19 ARP Special Education - Grants to States (IDEA, Part B)	84.027X	5532-22-0830	-	130,982
Special Education - Preschool Grants (IDEA Preschool)	84.173	0033-23-0830	-	18,945
COVID-19 ARP Special Education - Preschool Grants (IDEA Preschool)	84.173X	5533-22-0830	-	22,694
<b><i>Total Special Education Cluster IDEA</i></b>				<b>\$ 1,009,115</b>
<b><u>Education Stabilization Fund -</u></b>				
COVID-19 CRRSA - ESSER 2	84.425D	5891-21-2740	-	758,804
COVID-19 CRRSA - GEER 2	84.425C	5896-21-2740	-	105,820
COVID-19 ARP - ESSER 3	84.425U	5880-21-2740	-	467,729
COVID-19 ARP - SLR Summer Enrichment	84.425U	5882-21-2740	-	33,070
COVID-19 ARP - SLR Comprehensive After School	84.425U	5883-21-2740	-	9,395
COVID-19 ARP - SLR Learning Loss	84.425U	5884-21-2740	-	174,256
<b><i>Total Education Stabilization fund</i></b>				<b>\$ 1,549,074</b>
Title IIA - Supporting Effective Instruction State Grant	84.367	0147-22-2740	-	\$ 19,599
Title IIA - Supporting Effective Instruction State Grant	84.367	0147-23-2740	-	49,090
Title III - Immigrant	84.365	0149-22-2740	-	8,482
Title III - Immigrant	84.365	0149-23-2740	-	4,476
Title IV - Student Support and Enrichment Program	84.424	0024-22-2740	-	11,904
Title I - Grants to Local Educational Agencies	84.010	0021-23-2740	-	148,906
<b>Total U.S. Department of Education</b>				<b>\$ 2,800,646</b>
<b><u>U.S. Department of Agriculture:</u></b>				
<b><u>Indirect Programs:</u></b>				
<b><u>Passed Through NYS Education Department (Child Nutrition Services) -</u></b>				
<b><u>Child Nutrition Cluster -</u></b>				
National School Lunch Program	10.555	Not Applicable	-	\$ 477,540
COVID-19 National School Lunch Program Supply Chain	10.555	Not Applicable	-	213,961
National School Lunch Program-Non-Cash Assistance (Commodities)	10.555	Not Applicable	-	50,493
National School Breakfast Program	10.553	Not Applicable	-	72,668
<b><i>Total Child Nutrition Cluster</i></b>				<b>\$ 814,662</b>
COVID-19 Pandemic EBT Administrative Costs	10.649	Not Applicable	-	5,024
<b>Total U.S. Department of Agriculture</b>				<b>\$ 819,686</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<b>\$ 3,620,332</b>

See accompanying notes to schedule of expenditures of federal awards.

**NISKAYUNA CENTRAL SCHOOL DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2023**

**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, 2023, the District received food commodities totaling \$50,493.

**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, 2023**

**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  
\_\_\_\_\_yes      x  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  
  x  yes    \_\_\_\_\_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)?

  x  yes    \_\_\_\_\_no

Identification of major programs:

Federal Assistance Listing 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 Fund Comprehensive After School
84.425U	COVID-19 ARP Elementary and Secondary School Emergency Relief Fund Summer Enrichment
84.425U	COVID-19 ARP Elementary and Secondary School Emergency Relief Fund Learning Loss

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, 2023**

**Section II: Financial Statement Findings**

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

None noted.

**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

2023-001      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, 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:* Yes.

*Perspective Information:* As part of follow up on this prior audit finding requested support for the performance of this procedure due to the turnover in the purchasing agent position verification could not be located.

*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, 2023**

**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

2023-001      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): Matt Leon, Assistant Superintendent for Business & Operations and Michael DeSantis, Purchasing Agent

Deadline for Completion: On or before 12/1/23 for covered transactions with contracts or purchase orders meeting the threshold during the time period 7/1/22 - 10/31/23. Prior to contract approval or purchase order issuance for contracts or purchase orders meeting the threshold on or after 11/1/23.

**NISKAYUNA CENTRAL SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2023**

**Summary Schedule of Prior Auditing Findings**

Significant Deficiency

2022-001      Audit Adjustments

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

Status: This comment was corrected and therefore not repeated.

Significant Deficiency

2022-002      Child Nutrition Cluster – Procurement

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.

Status: This comment is repeated as 2023-001.