

NORTH COLONIE CENTRAL SCHOOL DISTRICT

**Financial Statements and Required Reports
Under Uniform Guidance
As of June 30, 2021**

Together with Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

October 14, 2021

To the Board of Education of
North Colonie Central School District:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of North Colonie Central School District (School District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

(Continued)

INDEPENDENT AUDITOR'S REPORT (Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of North Colonie Central School District as of June 30, 2021, 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.

Emphasis of Matter - Change in Accounting Principle

As discussed in Note 16, during 2021 the School District adopted Governmental Accounting standards Board Statement 84 – *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of proportionate share of the net pension (asset) liability and contributions – pension plans and changes in total OPEB liability and related ratios be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's financial statements. The supplemental information as required by the New York State Education Department is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplemental information required by the New York State Education Department has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**INDEPENDENT AUDITOR'S REPORT
(Continued)**

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2021 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

NORTH COLONIE CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE FISCAL YEAR ENDED JUNE 30, 2021

The following is a discussion and analysis of the North Colonie Central School District's (School District) financial performance for the fiscal year ended June 30, 2021. The section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- Government-wide net position of the School District was a deficit of \$64,244,600. The deficit was primarily the result of the continuing effects of GASB Statement No. 75, "Accounting for and Financial Reporting by Employers for Postemployment Benefits Other than Pensions" which requires the recognition of an unfunded liability of \$184,312,873 at June 30, 2021. Since New York State laws provide no mechanism for funding the liability, the subsequent accruals are expected to increase the deficit in future years.
- Government-wide net position was approximately \$14 million less than at June 30, 2020. The primary factor contributing to this decrease was the recognition of approximately \$12.7 in expense related to the School District's other postemployment benefits plan and approximately \$5.1 million in pension costs related to the School District's share of the net pension liabilities for both NYSERS and NYSTRS.
- The School District 2020-2021 general fund expenditures were less than budgeted by approximately \$7.3 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

Figure A-1 Organization of the School District's Annual Financial Report

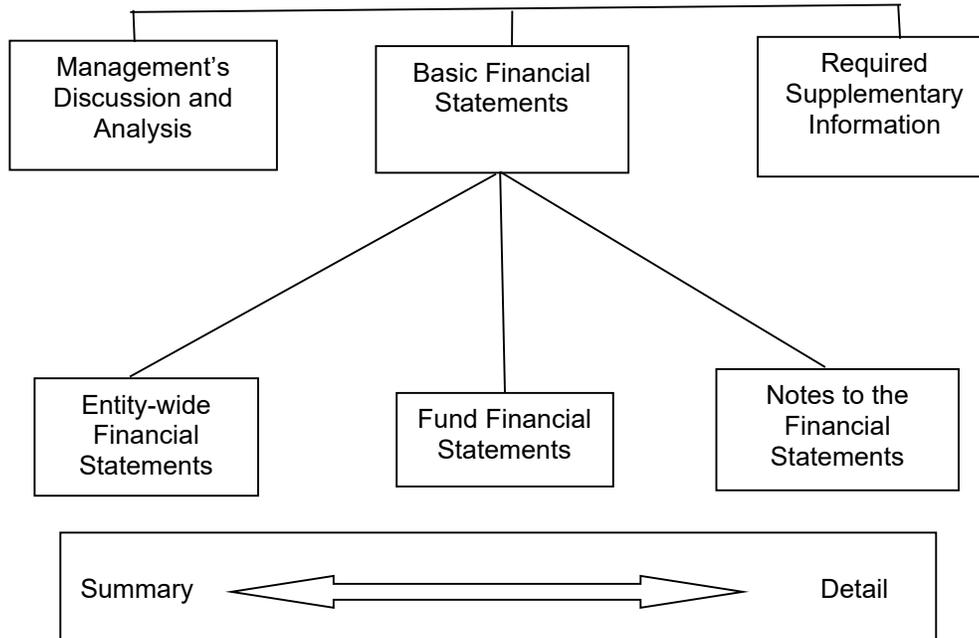


Figure A-2 summarizes the major features of the School District's financial statements, including the portion of the School District's activities that they cover and the types of information that they contain. The remainder of this overview section highlights the structure and contents of each statement.

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

	Government-Wide	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire School District (except fiduciary funds)	The daily operating activities of the School District, such as instruction and special education.	District administers resources on behalf of someone else, such as scholarship programs. There are two types of fiduciary funds, <i>private purpose trust funds and custodial funds</i> .
Required financial statements	<ul style="list-style-type: none"> Statement of net position Statement of activities 	<ul style="list-style-type: none"> Balance sheet Statement of revenue, expenditures, and change in fund balance 	<ul style="list-style-type: none"> Statement of net position - fiduciary funds Statement of change in net position – fiduciary funds
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial focus.	Accrual accounting and economic resources focus.
Type of asset/liability, deferred outflows/inflows of resources information	All assets, liabilities, deferred outflows & inflows of resources both financial and capital, short-term and long-term debt.	Current assets and liabilities that come due during the year or soon after; no capital assets or long-term liabilities included.	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can.
Type of inflow/outflow information	All revenue and expenses during the year, regardless of when cash is received or paid.	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All additions and deductions during the year, regardless of when cash is received or paid.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Government-Wide Statements

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

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

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

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

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

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

Fund Financial Statements

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

The School District has the following fund types:

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

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

	Fiscal Year 2021	Fiscal Year 2020	Percent Change
Current and other assets	\$ 53,545	\$ 46,291	15.67%
Noncurrent assets	156,751	150,338	4.27%
Total assets	<u>\$ 210,296</u>	<u>\$ 196,629</u>	6.95%
Deferred outflows of resources	<u>\$ 86,267</u>	<u>\$ 76,640</u>	12.56%
Current liabilities	\$ 116,190	\$ 96,833	19.99%
Long-term liabilities	200,752	198,694	1.04%
Total liabilities	<u>\$ 316,942</u>	<u>\$ 295,527</u>	7.25%
Deferred inflows of resources	<u>\$ 43,865</u>	<u>\$ 28,412</u>	54.39%
Net position:			
Net investment in capital assets	\$ 67,317	\$ 69,273	-2.82%
Restricted	18,671	13,687	36.41%
Unrestricted	(150,232)	(133,630)	-12.42%
Total net position	<u>\$ (64,245)</u>	<u>\$ (50,670)</u>	-26.79%

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

Changes in Net Position

The School District's 2021 revenue was approximately \$120.4 million (See Figure A-4). Property taxes and New York State aid accounted for the majority of revenue by contributing 70% and 18%, respectively, of the total revenue raised (see Figure A-5). The remainder of revenue came from fees for services, use of money and property, operating grants, and other miscellaneous sources.

The total cost of all programs and services was approximately \$134.4 million for 2021. These expenses are predominately for the education, supervision, and transportation of students (see Figure A-6). The School District's administrative and business activities accounted for 14% of total costs.

Net position decreased during the year by approximately \$14 million due primarily to the effects of recognizing other post-employment benefits as well as the effects of ERS and TRS proportionate assets, deferred outflows, liabilities and deferred inflows.

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

	Fiscal Year <u>2021</u>	Fiscal Year <u>2020</u>	Percent <u>Change</u>
Revenue:			
Charges for services	\$ 2,341	\$ 3,576	-34.54%
Operating grants	5,343	3,382	57.99%
General revenue:			
Property taxes	88,542	88,049	0.56%
State aid	21,602	22,164	-2.54%
Federal aid	703	120	486.08%
Interest earnings	273	1,036	-73.66%
Miscellaneous	<u>1,634</u>	<u>1,147</u>	42.46%
Total revenue	<u>120,438</u>	<u>119,474</u>	0.81%
Expenses:			
General support	19,399	17,860	8.61%
Instruction	101,703	95,596	6.39%
Transportation	9,331	8,090	15.34%
Debt service - Interest	1,376	2,000	-31.21%
Cost of sales - Food	<u>2,541</u>	<u>2,539</u>	0.10%
Total expenses	<u>134,350</u>	<u>126,085</u>	6.56%
Change in net position	<u>\$ (13,912)</u>	<u>\$ (6,611)</u>	-110.43%

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

Figure A-5: Sources of Revenue for 2021:

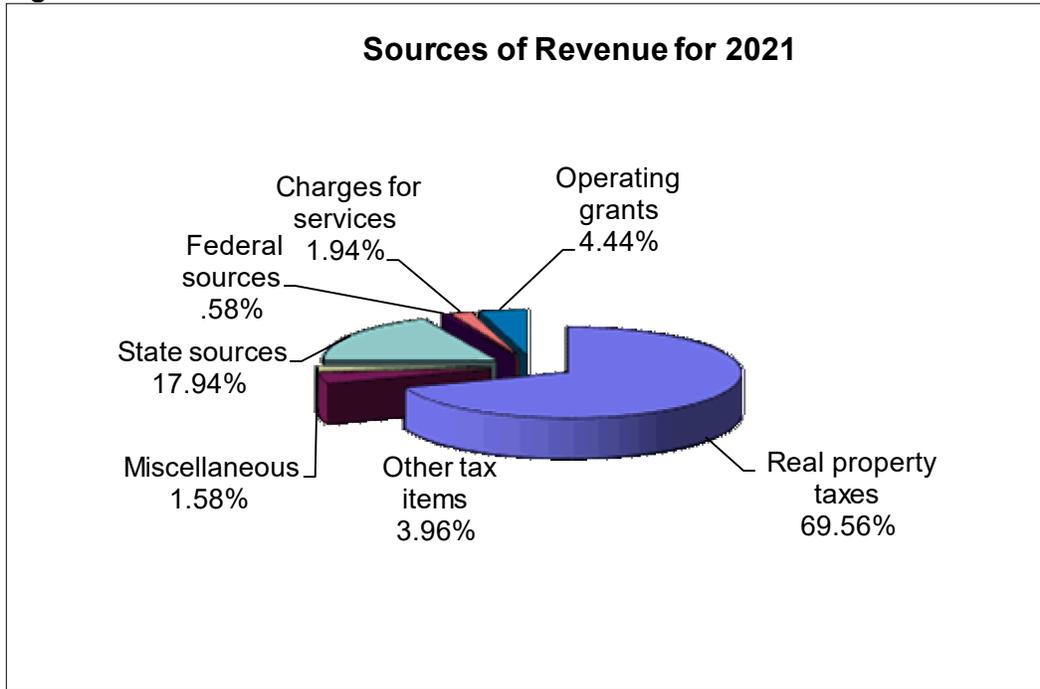
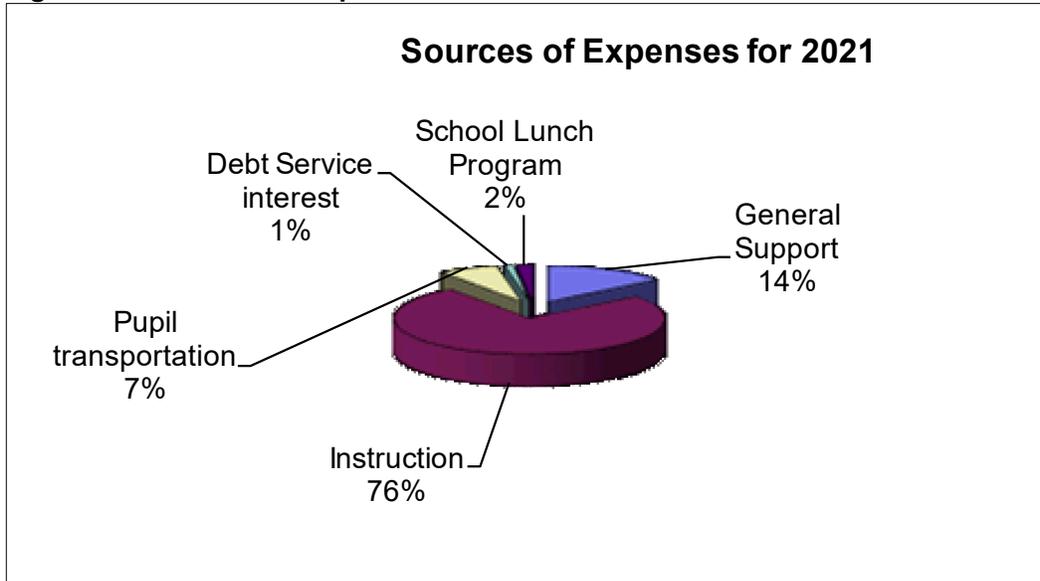


Figure A-6: Sources of Expenses for 2021:



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

Governmental Activities

Revenue for the School District's governmental activities was approximately \$120.4 million while total expenses were approximately \$134.4 million. Accordingly, net position decreased by approximately \$14 million.

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

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

	Total Cost of Services <u>2021</u>	Net Cost of Services <u>2021</u>	Total Cost of Services <u>2020</u>	Net Cost of Services <u>2020</u>
General support	\$ 19,399	\$ (19,399)	\$ 17,860	\$ (17,860)
Instruction	101,703	(96,335)	95,596	(90,423)
Pupil transportation	9,331	(9,331)	8,090	(8,090)
Debt service - Interest	1,376	(1,376)	2,000	(2,000)
Cost of sales - Food	2,541	(225)	2,539	(754)
	<u>\$ 134,350</u>	<u>\$ (126,666)</u>	<u>\$ 126,085</u>	<u>\$ (119,127)</u>

- The cost of all governmental activities for the year was approximately \$134.4 million.
- The users of the School District's programs financed approximately \$2.3 million of the costs through charges for services.
- The federal and state government financed approximately \$5.3 million of the costs through operating grants.
- The majority of costs were financed by the School District's taxpayers and unallocated NYS aid.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

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

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

Governmental Funds Highlights

General Fund – New York State operating aid is tied to the growth in New York State personal income and the available funds in the state budget. The School District continues to maximize revenues by claiming refunds and billing for services.

Special Aid Fund – Federal aid is expected to decrease or remain flat in upcoming years.

School Lunch Fund – The School Lunch Fund revenue's exceeded expenditures by \$176,200.

Capital Projects Fund – Expenditures in the Capital Projects Fund were related to ongoing, district-wide renovations.

General Fund Budgetary Highlights

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

Revenue Variances

Revenues were more than budgeted by approximately \$1.7.

Expenditure Variances

Expenditures were less than budgeted by approximately \$7.3 million. This is due to reduced spending throughout the budget and conservative budgeting due to the uncertainties surrounding the COVID-19 pandemic. The majority is from the instruction portion of the budget, which is the largest portion of the budget. General support and transportation account for the second and third portions of reduced spending.

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

Results vs. Budget (In Thousands of Dollars)

	Original Budget	Final Budget	Actual	Encumbrances	Variance (Actual/Budget)
Revenue:					
Local sources	\$ 91,996	\$ 91,996	\$ 91,848	\$ -	\$ (148)
State sources	20,593	20,593	21,931	-	1,338
Federal sources	150	150	703	-	553
Total	<u>112,740</u>	<u>112,740</u>	<u>114,483</u>	<u>-</u>	<u>1,743</u>
Expenditures:					
General support	12,661	13,044	10,852	232	1,960
Instruction	63,510	65,875	61,628	312	3,935
Transportation	5,937	5,994	5,325	1	668
Employee benefits	30,436	28,202	27,509	-	693
Debt service	5,180	5,180	5,180	-	-
Transfers out	255	255	217	-	38
Total	<u>117,980</u>	<u>118,550</u>	<u>110,712</u>	<u>545</u>	<u>7,294</u>
Revenue over (under) expenditures	<u>\$ (5,240)</u>	<u>\$ (5,811)</u>	<u>\$ 3,771</u>	<u>\$ (545)</u>	<u>\$ 9,037</u>

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

adopted. **CAPITAL ASSET AND DEBT ADMINISTRATION**

As of June 30, 2021, the School District had approximately \$156.8 million invested in buildings, computers, and other educational equipment.

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

	Fiscal Year <u>2021</u>	Fiscal Year <u>2020</u>
Land	\$ 701	\$ 701
Construction in progress	94,536	77,697
Land improvements	462	517
Buildings	54,593	57,217
Furniture and equipment	1,999	2,278
Vehicles	<u>4,460</u>	<u>4,289</u>
Total	<u>\$ 156,751</u>	<u>\$ 142,699</u>

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)
Long-Term Debt

As of June 30, 2021, the School District had \$203,211,947 in long-term debt. Detailed information about the School District's long-term debt is included in the notes to the financial statements.

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

	Fiscal Year <u>2021</u>	Fiscal Year <u>2020</u>
General obligation bonds (financed with property taxes)	\$ 5,016	\$ 7,559
Other long-term debt	<u>198,196</u>	<u>193,505</u>
Total	<u>\$ 203,212</u>	<u>\$ 201,064</u>

During 2021, the School District paid down its bonded debt by \$2,370,000. Further, the School District's OPEB liability and net pension liability for TRS increased by \$8.2 million and \$8.2 million, respectively, while the net pension liability for ERS decreased \$11.9 due the net effect of changes in actuarial assumptions.

FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE

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

The School District receives approximately 20% of its revenue through State Aid. The School District received a significant increase in Foundation aid for 2021-22 with a promise of moving to a full restoration of formula aid in the following two fiscal years. Full restoration would provide substantial and appropriate funding due the School District, which will be important as the student population continues to increase.

The Property Tax Levy Cap, Chapter 97 of the Laws of 2011, continues to limit the School District's ability to raise tax revenue to meet future operating expenditures.

It is more costly to operate school per CDC, DOH, and NYSED guidelines related to COVID-19. The short-term impact is being felt with increased costs but is being offset through significant stimulus funding that will continue through September 2024. The use of and preservation of these resources in a thoughtful and strategic manner will be key to coming out of the pandemic in a strong financial position. The long-term impact is unknown but has the potential to significantly impact future budget development.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

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

Mr. Scott Hoot
Assistant Superintendent for Business
North Colonie Central School District
Administration Building
91 Fiddlers Lane
Latham, New York 12110

NORTH COLONIE CENTRAL SCHOOL DISTRICT

**STATEMENT OF NET POSITION
JUNE 30, 2021**

ASSETS

CURRENT ASSETS:	
Cash and cash equivalents - unrestricted	\$ 28,819,074
Cash and cash equivalents - restricted	18,662,422
Accounts receivable	88,912
State and federal aid receivable	4,611,086
Due from other governments	1,257,339
Prepaid expenses	10,000
Inventories	<u>96,131</u>
 Total current assets	 <u>53,544,964</u>

NONCURRENT ASSETS:	
Capital assets, net	<u>156,751,069</u>
 Total noncurrent assets	 <u>156,751,069</u>

TOTAL ASSETS	<u>210,296,033</u>
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DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources - TRS	27,818,474
Deferred outflows of resources - ERS	10,338,208
Deferred outflows of resources - OPEB	47,946,269
Deferred outflows - amounts on bond refunding	<u>163,568</u>
 Total Deferred Outflows of Resources	 <u>86,266,519</u>

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>296,562,552</u>
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LIABILITIES

CURRENT LIABILITIES:	
Accounts payable	2,798,124
Accrued liabilities	919,410
Unearned revenue	1,639,094
Bond anticipation note payable	101,210,000
Due to Teachers' Retirement System	5,225,263
Due to Employees' Retirement System	681,493
Bond interest accrual	1,257,085
Bonds payable due within one year	<u>2,460,000</u>
 Total current liabilities	 <u>116,190,469</u>

LONG-TERM LIABILITIES:	
Bonds payable, net of current portion	2,556,166
Workers compensation liability	1,302,323
Judgments and claims	192,791
Compensated absences	4,142,872
Net pension liability - ERS	45,346
Net pension liability - TRS	8,199,576
Other postemployment benefits liability	<u>184,312,873</u>
 Total long-term liabilities	 <u>200,751,947</u>

TOTAL LIABILITIES	<u>316,942,416</u>
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DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources - ERS	13,250,894
Deferred inflows of resources - TRS	4,951,751
Deferred inflows of resources - OPEB	<u>25,662,091</u>
 Total Deferred Inflows of Resources	 <u>43,864,736</u>

TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>360,807,152</u>
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NET POSITION

Net investment in capital assets	67,316,960
Restricted	18,670,822
Unrestricted	<u>(150,232,382)</u>
 TOTAL NET POSITION	 <u>\$ (64,244,600)</u>

The accompanying notes are an integral part of these statements.

NORTH COLONIE CENTRAL SCHOOL DISTRICT

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Expenses</u>	<u>Program Revenue</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants</u>	
FUNCTIONS/PROGRAMS:				
General support	\$ 19,398,599	\$ -	\$ -	\$ (19,398,599)
Instruction	101,703,082	2,309,867	3,057,828	(96,335,387)
Pupil transportation	9,331,038	-	-	(9,331,038)
Debt service interest	1,375,748	-	-	(1,375,748)
School lunch program	<u>2,541,476</u>	<u>31,062</u>	<u>2,285,408</u>	<u>(225,006)</u>
TOTAL FUNCTIONS/PROGRAMS	<u>\$ 134,349,943</u>	<u>\$ 2,340,929</u>	<u>\$ 5,343,236</u>	<u>(126,665,778)</u>
GENERAL REVENUE:				
Real property taxes				83,776,125
Other tax items				4,766,012
Use of money and property				272,901
Sale of property and compensation for loss				168,674
Miscellaneous				1,465,377
State sources				21,601,623
Medicaid reimbursement				<u>703,296</u>
TOTAL GENERAL REVENUE				<u>112,754,008</u>
CHANGE IN NET POSITION				<u>(13,911,770)</u>
TOTAL NET POSITION - beginning of year, as previously reported				(50,670,209)
RESTATEMENT (Note 16)				<u>337,379</u>
TOTAL NET POSITION - beginning of year, as restated				<u>(50,332,830)</u>
TOTAL NET POSITION - end of year				<u>\$ (64,244,600)</u>

The accompanying notes are an integral part of these statements.

NORTH COLONIE CENTRAL SCHOOL DISTRICT

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Governmental Fund Types					Total Governmental Funds
	General	Special Aid	School Lunch	Capital Projects	Miscellaneous Special Revenue	
ASSETS						
Cash and cash equivalents - unrestricted	12,129,212	\$ -	\$ 61,373	\$ 16,628,489	\$ -	\$ 28,819,074
Cash and cash equivalents - restricted	18,383,329	-	-	-	279,093	18,662,422
Accounts receivable	87,837	-	1,075	-	-	88,912
Due from other funds	2,487,692	-	-	-	8,400	2,496,092
State and federal aid receivable	1,972,647	2,099,676	538,763	-	-	4,611,086
Due from other governments	1,257,339	-	-	-	-	1,257,339
Prepaid expenditures	10,000	-	-	-	-	10,000
Inventory	-	-	96,131	-	-	96,131
TOTAL ASSETS	\$ 36,328,056	\$ 2,099,676	\$ 697,342	\$ 16,628,489	\$ 287,493	\$ 56,041,056
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE						
LIABILITIES:						
Accounts payable	\$ 1,959,786	\$ 2,193	\$ 57,731	\$ 778,414	\$ -	\$ 2,798,124
Accrued liabilities	877,744	15,029	26,637	-	-	919,410
Bond anticipation notes payable	-	-	-	101,210,000	-	101,210,000
Unearned revenue	69,770	-	91,324	1,478,000	-	1,639,094
Due to other funds	8,400	2,082,454	405,238	-	-	2,496,092
Due to Teachers' Retirement System	5,225,263	-	-	-	-	5,225,263
Due to Employees' Retirement System	681,493	-	-	-	-	681,493
TOTAL LIABILITIES	8,822,456	2,099,676	580,930	103,466,414	-	114,969,476
FUND BALANCE:						
Nonspendable:						
Inventory	-	-	96,131	-	-	96,131
Prepaid expenditures	10,000	-	-	-	-	10,000
Total nonspendable fund balance	10,000	-	96,131	-	-	106,131
Restricted:						
Workers' compensation	1,302,323	-	-	-	-	1,302,323
Unemployment	42,064	-	-	-	-	42,064
Retirement contributions	5,422,448	-	-	-	-	5,422,448
Tax certiorari	1,131,211	-	-	-	-	1,131,211
Capital projects	7,322,198	-	-	-	-	7,322,198
Debt	1,227,568	-	-	-	-	1,227,568
Employee benefits and accrued liabilities	1,935,517	-	-	-	-	1,935,517
Other	-	-	-	-	287,493	287,493
Total restricted fund balance	18,383,329	-	-	-	287,493	18,670,822
Assigned:						
Unappropriated	545,150	-	-	-	-	545,150
Appropriated for subsequent year expenditures	3,600,000	-	-	-	-	3,600,000
Total assigned fund balance	4,145,150	-	-	-	-	4,145,150
Unassigned	4,967,121	-	20,281	(86,837,925)	-	(81,850,523)
TOTAL FUND BALANCE	27,505,600	-	116,412	(86,837,925)	287,493	(58,928,420)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 36,328,056	\$ 2,099,676	\$ 697,342	\$ 16,628,489	\$ 287,493	\$ 56,041,056

NORTH COLONIE CENTRAL SCHOOL DISTRICT

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO GOVERNMENT-WIDE NET POSITION JUNE 30, 2021

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

Total governmental fund balance	\$ (58,928,420)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	156,751,069
Pension related government wide-activity:	
Deferred outflows	38,156,682
Net pension liability - ERS	(45,346)
Net pension liability - TRS	(8,199,576)
Deferred inflows	(18,202,645)
OPEB related government wide-activity:	
Deferred outflows of resources	47,946,269
Deferred inflows of resources	(25,662,091)
Total OPEB liability	(184,312,873)
Long-term bonds payable are not due in the current period and, therefore, are not reported in the funds	(5,016,166)
Deferred outflows related to deferred amounts on refunding is amortized over the life of the bond on the government-wide statements	163,568
Compensated absences are recognized as a liability under full accrual accounting	(4,142,872)
Judgments and claims are recorded in the government-wide statements under full accrual accounting	(192,791)
Workers compensation liability is recorded in the government-wide statements under full accrual accounting	(1,302,323)
Interest payable is to be recorded in the government-wide statements under full accrual accounting	<u>(1,257,085)</u>
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ <u>(64,244,600)</u>

The accompanying notes are an integral part of these statements.

NORTH COLONIE CENTRAL SCHOOL DISTRICT

**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Governmental Fund Types					Total Governmental Funds
	<u>General</u>	<u>Special Aid</u>	<u>School Lunch</u>	<u>Capital Projects</u>	<u>Miscellaneous Special Revenue</u>	
REVENUE:						
Real property taxes	\$ 83,776,125	\$ -	\$ -	\$ -	\$ -	\$ 83,776,125
Other tax items	4,766,012	-	-	-	-	4,766,012
Charges for services	2,309,867	-	-	-	-	2,309,867
Use of money and property	270,787	-	-	2,057	57	272,901
Sale of property and compensation for loss	167,579	-	1,095	-	-	168,674
Miscellaneous	557,822	-	4,269	-	131,054	693,145
State sources	21,931,303	630,978	74,784	-	-	22,637,065
Federal sources	703,296	2,426,850	2,210,624	-	-	5,340,770
Sales - School lunch	-	-	31,062	-	-	31,062
Total revenue	<u>114,482,791</u>	<u>3,057,828</u>	<u>2,321,834</u>	<u>2,057</u>	<u>131,111</u>	<u>119,995,621</u>
EXPENDITURES:						
General support	10,852,434	-	-	-	180,997	11,033,431
Instruction	61,627,954	3,016,781	-	-	-	64,644,735
Pupil transportation	5,324,836	98,775	-	42,215	-	5,465,826
Employee benefits	27,508,970	109,443	316,803	-	-	27,935,216
Debt service - Interest	1,940,288	-	-	-	-	1,940,288
Debt service - Principal	3,240,000	-	-	-	-	3,240,000
Cost of sales	-	-	1,878,831	-	-	1,878,831
Capital outlay	-	-	-	18,075,094	-	18,075,094
Total expenditures	<u>110,494,482</u>	<u>3,224,999</u>	<u>2,195,634</u>	<u>18,117,309</u>	<u>180,997</u>	<u>134,213,421</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>3,988,309</u>	<u>(167,171)</u>	<u>126,200</u>	<u>(18,115,252)</u>	<u>(49,886)</u>	<u>(14,217,800)</u>
OTHER FINANCING SOURCES (USES):						
BANs redeemed from appropriations	-	-	-	870,000	-	870,000
Premium on BAN	-	-	-	772,232	-	772,232
Operating transfers in	-	167,171	50,000	-	-	217,171
Operating transfers (out)	(217,171)	-	-	-	-	(217,171)
Total other financing sources (uses)	<u>(217,171)</u>	<u>167,171</u>	<u>50,000</u>	<u>1,642,232</u>	<u>-</u>	<u>1,642,232</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>3,771,138</u>	<u>-</u>	<u>176,200</u>	<u>(16,473,020)</u>	<u>(49,886)</u>	<u>(12,575,568)</u>
FUND BALANCE - beginning of year, as previously reported	23,734,462	-	(59,788)	(70,364,905)	-	(46,690,231)
RESTATEMENT (Note 16)	-	-	-	-	337,379	337,379
FUND BALANCE - beginning of year, as restated	<u>23,734,462</u>	<u>-</u>	<u>(59,788)</u>	<u>(70,364,905)</u>	<u>337,379</u>	<u>(46,352,852)</u>
FUND BALANCE - end of year	<u>\$ 27,505,600</u>	<u>\$ -</u>	<u>\$ 116,412</u>	<u>\$ (86,837,925)</u>	<u>\$ 287,493</u>	<u>\$ (58,928,420)</u>

The accompanying notes are an integral part of these statements.

NORTH COLONIE CENTRAL SCHOOL DISTRICT

**RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Net changes in fund balance - Total governmental funds	\$ (12,575,568)
Capital outlays, net of disposals, are expenditures in governmental funds, but are capitalized in the statement of net position.	18,145,682
Depreciation is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities.	(4,093,692)
State aid revenue in the statement of activities is recognized as revenue in the government-wide statements but is not recognized as revenue under the modified accrual basis of accounting in the fund financial statements	(329,680)
Repayments of long-term debt are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position.	3,240,000
BANs redeemed from appropriations are revenue in the governmental funds, but not in the statement of activities	(870,000)
Compensated absences are recorded as expenditures in the governmental funds at the time of payment, but are recorded as liabilities in the statement of net position	(103,883)
Other postemployment benefits do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds.	(12,679,086)
Pension expense resulting from the GASB 68 related actuary reporting is not recorded as an expenditure in the government funds, but is recorded in the statement of activities	(5,127,614)
Amortization of bond premiums is an adjustment to interest expense in the statement of activities	172,849
Amortization of loss on refunding bonds is recorded as an adjustment to interest expense in the statement of activities	(162,968)
Accrued interest expense does not require the expenditure of current resources and is, therefore, not reported as an expenditure in the governmental funds	554,659
Accrual of long-term liabilities do not require the expenditure of current financial resources and are, therefore, not reported as expenditures in the governmental funds:	
Judgments and claims	(6,349)
Workers compensation	<u>(76,120)</u>
Change in net position - Governmental activities	<u>\$ (13,911,770)</u>

The accompanying notes are an integral part of these statements.

NORTH COLONIE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Reporting Entity

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

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

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

Extraclassroom Activity Funds

The extraclassroom activity funds of the School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The extraclassroom activity funds are independent of the School District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the extraclassroom activity funds can be found at the School District's business office. The School District accounts for transactions of the of the various student activity funds in the miscellaneous special revenue fund.

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

Joint Venture

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

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

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

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

Basis of Presentation

Government-Wide Statements

The statement of net position and the statement of activities present financial information about the School District's governmental activities. These statements include the financial activities of the overall government in its entirety, 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 revenue, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital), grants, while the capital grants column reflects capital-specific grants.

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

Fund Financial Statements

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

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

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

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

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

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

Governmental Fund Types

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

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

Special Revenue Funds: These funds account for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes, school lunch operations, and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties. The School District uses three special revenue type funds – special aid, school lunch and miscellaneous special revenue.

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

Use of Estimates

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

Measurement Focus and Basis of Accounting

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

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

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

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

Measurement Focus and Basis of Accounting (Continued)

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

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

Cash and Cash Equivalents

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

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

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

Accounts Receivable

Accounts receivable are shown gross. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

Inventories and Prepaid Items

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

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

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

Interfund Transactions

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

Eliminations have been made for all interfund receivables and payables between the funds.

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

Capital Assets, Net

Capital assets are reported at actual cost for acquisitions subsequent to July 1, 2002. For assets acquired prior to July 1, 2002, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair 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 Government-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land	\$ 1,000	N/A	N/A
Land improvements	1,000	SL	20 years
Buildings and improvements	1,000	SL	15 - 50 years
Furniture and equipment	1,000	SL	5 - 20 years
Vehicles	1,000	SL	10 - 4 years

Property Taxes

Real property taxes are levied annually by the board of education no later than September 1, and become a lien on September 1. Taxes are collected during the period September 1 to October 31.

Uncollected real property taxes are subsequently enforced by the County of Rensselaer in which the School District is located. The County pays an amount representing uncollected real property taxes transmitted to the County for enforcement to the School District no later than the following April 1.

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

Vested Employee Benefits

Compensated absences

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

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

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

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

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

Other Benefits

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

Other Postemployment Benefits

In addition to providing the pension benefits described, the School District provides postemployment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contracts negotiated between the School District and its employee groups. Substantially all of these employees may become eligible for these benefits if they reach normal retirement age while working for the School District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The School District pays a variable percentage of the cost of premiums to an insurance company that provides health care insurance. At the fund level the School District recognizes the cost of providing health care insurance by recording its share of insurance premiums as an expenditure or operating transfer to other funds in the general fund in the year paid. The School District recognized the current cost of providing benefits for 2021 by recording \$3,026,395, which is its share of insurance premiums for current enrolled retirees, as an expenditure in 2021.

In accordance with the provisions of Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, the School District has recorded in the government-wide statement of net position other postemployment benefits totaling \$184,312,873 as of June 30, 2021. The financial disclosures relating to the School District's other post-employment benefits are reflected in Note 11.

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

Unearned Revenue

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

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

Accrued Liabilities and Long-Term Obligations

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

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

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

Restricted Resources

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

Fund Balance/Net Position Classifications

Government-Wide Statements

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

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

Restricted net position - reports net position when constraints placed on the assets are either externally imposed by creditors, (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted net position consists of the nonspendable and restricted fund balance categories on the Fund financial statements.

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

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

Fund Balance/Net Position Classifications (Continued)

Governmental Fund Statements

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

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

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

Capital

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

Repair

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

Workers' Compensation

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

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

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

Unemployment Insurance

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

Debt Service

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

Insurance

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

Liability Claims and Property Loss

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

Tax Certiorari

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

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

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

Employee Benefit Accrued Liability

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

Retirement Contribution

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

Committed fund balance – Includes amounts that can be used for the specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2021.

Assigned fund balance – Includes amounts that are constrained by the School District's intent to be used for specific purposes but are neither restricted nor committed. All encumbrances of the general fund are classified as assigned fund balance in the general fund. Encumbrances reported in the general fund amounted to \$545,150. As of June 30, 2021, the School District's encumbrances were classified as follows:

General support	\$	231,854
Instruction		311,931
Pupil transportation		<u>1,365</u>
Total encumbrances	\$	<u>545,150</u>

Encumbrances

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

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

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

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

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

Order of Fund Balance Spending Policy

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

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

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

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

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

Long-Term Revenue and Expense Differences

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

Capital Related Differences

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

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

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

Long-Term Debt Transaction Differences

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

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

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

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

Appropriations are adopted at the program line item level.

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

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

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

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

Fund Balance

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

4. CASH

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

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

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash	\$ 47,800,993	\$ 47,481,496
Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name	\$ 47,300,993	
Covered by FDIC insurance	<u>500,000</u>	
Total	<u>\$ 47,800,993</u>	

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

Restricted cash consists of the following:

General fund:

Workers' compensation	\$ 1,302,323	
Retirement contributions	5,422,448	
Employee benefits accrued liabilities	1,935,517	
Capital Projects	7,322,198	
Tax certiorari	1,131,211	
Debt	1,227,568	
Unemployment	<u>42,064</u>	\$ 18,383,329

Miscellaneous Special Revenue Fund:

Extraclassroom Activity Fund	\$ 205,018	
Scholarships	<u>74,075</u>	<u>279,093</u>
Total Restricted Cash		<u>\$ 18,662,422</u>

5. PARTICIPATION IN BOCES

During the year, the School District was billed \$3,734,097 for BOCES administrative and program costs. The School District's share of BOCES aid amounted to \$1,483,561.

6. CAPITAL ASSETS, NET

Capital asset balances and activity for the year ended June 30, 2021, were as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	Retirements/ <u>Reclassifications</u>	Ending <u>Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 700,705	\$ -	\$ -	\$ 700,705
Construction in progress	<u>77,697,036</u>	<u>18,117,310</u>	<u>1,278,268</u>	<u>94,536,078</u>
Total non-depreciable cost	<u>78,397,741</u>	<u>18,117,310</u>	<u>1,278,268</u>	<u>95,236,783</u>
Capital assets that are depreciated:				
Land improvements	1,885,427	-	-	1,885,427
Buildings	111,674,968	8,279	-	111,683,247
Furniture and equipment	10,615,648	195,433	86,997	10,724,084
Vehicles	<u>9,872,706</u>	<u>1,102,928</u>	<u>520,051</u>	<u>10,455,583</u>
Total depreciable historical cost	<u>134,048,749</u>	<u>1,306,640</u>	<u>607,048</u>	<u>134,748,341</u>
Less accumulated depreciation:				
Land improvements	1,367,974	55,468	-	1,423,442
Buildings	54,458,454	2,631,692	-	57,090,146
Furniture and equipment	8,337,420	474,238	86,997	8,724,661
Vehicles	<u>5,583,563</u>	<u>932,294</u>	<u>520,051</u>	<u>5,995,806</u>
Total accumulated depreciation	<u>69,747,411</u>	<u>4,093,692</u>	<u>607,048</u>	<u>73,234,055</u>
Total capital assets, net	<u>\$142,699,079</u>	<u>\$ 15,330,258</u>	<u>\$ 1,278,268</u>	<u>\$156,751,069</u>

Depreciation expense for the year ended June 30, 2021, was allocated to specific functions as follows:

Instruction	\$ 2,990,869
Pupil transportation	839,257
General support	251,817
School lunch program	<u>11,749</u>
Total	<u>\$ 4,093,692</u>

7. SHORT-TERM DEBT

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

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

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

At June 30, 2021, the School District had the following BANs outstanding:

	<u>Beginning Balance</u>	<u>New Issues</u>	<u>Redemptions</u>	<u>Ending Balance</u>
Bond Anticipation Note - 2.25%, Matured 07/17/2020	\$ 80,000,000	\$ -	\$ 80,000,000	\$ -
Bond Anticipation Note - 1.25%, Matures 07/16/2021	<u>-</u>	<u>101,210,000</u>	<u>-</u>	<u>101,210,000</u>
	<u>\$ 80,000,000</u>	<u>\$101,210,000</u>	<u>\$ 80,000,000</u>	<u>\$101,210,000</u>

8. LONG-TERM DEBT

Interest on debt for the year was composed of:

Interest paid - long-term debt	\$ 145,288
Interest paid - short-term debt	1,795,000
Less: Interest accrued in the prior year	(1,811,744)
Amortization of bond premium	(172,849)
Plus: Interest accrued in the current year	1,257,085
Amortization of deferred amount	<u>162,968</u>
Total expense	<u>\$ 1,375,748</u>

8. LONG-TERM DEBT (Continued)

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

	July 01, 2020			June 30, 2021	Amounts Due Within One Year
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>	
<u>Government activities:</u>					
Bonds and notes payable					
Serial bonds	\$ 7,210,000	\$ -	\$ 2,370,000	\$ 4,840,000	\$ 2,460,000
Unamortized premium on obligations	349,015	-	172,849	176,166	-
Total bonds and notes payable	<u>7,559,015</u>	<u>-</u>	<u>2,542,849</u>	<u>5,016,166</u>	<u>2,460,000</u>
<u>Other long-term liabilities:</u>					
Workers compensation	1,226,203	1,055,340	979,220	1,302,323	-
Judgments and claims	186,442	6,349	-	192,791	-
Compensated absences	4,038,989	103,883 (A)	-	4,142,872	-
Net pension liability - ERS	11,943,201	- (A)	11,897,855	45,346	-
Net pension liability - TRS	-	8,199,576 (A)	-	8,199,576	-
Total other postemployment benefits	<u>176,109,730</u>	<u>11,229,538</u>	<u>3,026,395</u>	<u>184,312,873</u>	<u>-</u>
Total other long-term liabilities	<u>193,504,565</u>	<u>20,594,686</u>	<u>15,903,470</u>	<u>198,195,781</u>	<u>-</u>
Total long-term liabilities	<u>\$ 201,063,580</u>	<u>\$ 20,594,686</u>	<u>\$ 18,446,319</u>	<u>\$ 203,211,947</u>	<u>\$ 2,460,000</u>

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

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

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

<u>Bond Issue</u>	<u>Issued</u>	<u>Maturity</u>	<u>Interest Rate</u>	June 30, 2021 <u>Balance</u>
District-wide renovations	2010	2021	1.50%-2.50%	\$ 145,000
Refunding bond	2012	2022	2.00%-4.00%	<u>4,695,000</u>
				<u>\$ 4,840,000</u>

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,460,000	\$ 73,106	\$ 2,533,106
2023	<u>2,380,000</u>	<u>23,800</u>	<u>2,403,800</u>
Totals	<u>\$ 4,840,000</u>	<u>\$ 96,906</u>	<u>\$ 4,936,906</u>

9. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables are eliminated on the statement of net position.

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

The following is a summary of interfund activity:

	Interfund		Interfund	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenue</u>	<u>Expenditures</u>
General fund	\$ 2,487,692	\$ 8,400	\$ -	\$ 217,171
Special aid fund	-	2,082,454	167,171	-
School lunch fund	-	405,238	50,000	-
Miscellaneous special revenue fund	<u>8,400</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 2,496,092</u>	<u>\$ 2,496,092</u>	<u>\$ 217,171</u>	<u>\$ 217,171</u>

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

10. PENSION PLANS

New York State Employees' Retirement System

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

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

10. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

Contributions

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

2021	\$ 2,173,167
2020	\$ 2,186,042
2019	\$ 2,147,710

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

At June 30, 2021, the School District reported a net pension liability of \$45,346 for its proportionate share of the ERS net pension liability. The net pension liability was measured as of March 31, 2021, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of April 1, 2020. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2021, the School District's proportion was 0.0455402%, which was an increase of .0004385% from its proportion measured at June 30, 2020.

For the year ended June 30, 2021, the School District recognized pension expense of \$1,303,658. At June 30, 2021, the School District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>Resources</u>	<u>Resources</u>
Differences between expected and actual experience	\$ 553,800	\$ -
Changes of Assumptions	8,337,702	157,252
Net difference between projected and actual earnings on pension plan investments	-	13,026,096
Changes in proportion and differences between the District's contributions and proportionate share of contributions	765,213	67,546
Contributions subsequent to the measurement date	681,493	-
Total	<u>\$ 10,338,208</u>	<u>\$ 13,250,894</u>

10. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

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

The School District recognized \$681,493 as deferral outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2021 which will be recognized on a reduction of the net pension liability in the year ending June 30, 2022.

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

Plan's Year Ending March 31,		
2022	\$	(529,563)
2023		(68,893)
2024		(556,306)
2025		(2,439,417)
2026		-
Thereafter		-
	\$	<u>(3,594,179)</u>

Actuarial Assumptions

The total pension liability at March 31, 2021 was determined by using an actuarial valuation as of April 1, 2020, with update procedures used to roll forward the total pension liability to March 31, 2021. The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.70%
Salary scale	4.40%
Projected COLAs	1.40%
Decrements	Developed from the Plan's 2020 experience study of the period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2020
Investment Rate of Return	6.8% compounded annually, net of investment expenses

10. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target allocation as of March 31, 2020 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of term</u>
Domestic Equity	32.0%	4.05%
International Equity	15.0%	6.30%
Private Equity	10.0%	6.75%
Real Estate	9.0%	4.95%
Opportunistic/ARS Portfolio	3.0%	4.50%
Credit	4.0%	3.63%
Reals Assets	3.0%	5.95%
Fixed Income	23.0%	0.00%
Cash	1.0%	0.50%
	<u>100%</u>	

Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

10. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

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

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 % lower (4.9%) or 1 % higher (6.9%) than the current rate:

	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Employer's Proportionate Share of Net Pension Liability (Asset)	\$ 12,586,348	\$ 45,346	\$ (11,520,393)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2021, was as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	\$ 220,680,157,000
Net position	220,580,583,000
Net pension liability (asset)	\$ 99,574,000
ERS net position as a percentage of total pension liability	99.95%

New York State Teachers' Retirement System

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

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

Contributions

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

10. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

Contributions (Continued)

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

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

2021	\$ 4,825,307
2020	\$ 5,211,937
2019	\$ 5,220,974

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

At June 30, 2021, the School District reported a liability of \$8,199,576 for its proportionate share of the NYSTRS net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of June 30, 2019. The School District's proportion of the net pension liability was based on a projection of the School Districts' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2021, the School District's proportion was 0.296734%, which was an increase of .002715% from its proportion measured at June 30, 2020.

For the year ended June 30, 2021, the School District recognized pension expense of \$10,898,202. At June 30, 2021 the School District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,184,469	\$ 420,212
Changes of Assumptions	10,370,555	3,696,561
Net difference between projected and actual earnings on pension plan investments	5,355,042	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	83,101	834,978
Contributions subsequent to the measurement date	<u>4,825,307</u>	<u>-</u>
Total	<u>\$ 27,818,474</u>	<u>\$ 4,951,751</u>

The School District recognized \$4,825,307 as a deferred outflow of resources related to pensions resulting from the School District's contributions subsequent to the measurement date of June 30, 2020, which will be recognized as a reduction of the net pension asset in the year ending June 30, 2022.

10. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

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

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

Plan's Year Ending June 30,		
2021	\$	3,069,033
2022		6,322,827
2023		5,162,844
2024		3,117,879
2025		22,687
Thereafter		346,146
		<u>\$ 18,041,416</u>

Actuarial Assumptions

The total pension liability at the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019, with update procedures used to roll forward the total pension liability to June 30, 2020. These actuarial valuations used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.20%
Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.

<u>Service</u>	<u>Rate</u>
5	4.72%
15	3.46%
25	2.37%
35	1.90%

Projected COLAs	1.30% compounded annually
Investment Rate of Return	7.10% compounded annually, net of pension plan investment expense, including inflation.

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014.

The actuarial assumptions used in the June 30, 2020 valuation was based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014.

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.

10. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

Actuarial Assumptions (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of the valuation date of June 30, 2020 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of term</u>
Domestic Equity	33.0%	7.1%
International Equity	16.0%	7.7%
Global Equity	4.0%	7.4%
Real Estate Equity	11.0%	6.8%
Private Equity	8.0%	10.4%
Domestic Fixed Income	16.0%	1.8%
Global Bonds	2.0%	1.0%
High-Yield Bonds	1.0%	3.9%
Private Debt	1.0%	5.2%
Real Estate Debt	7.0%	3.6%
Cash Equivalents	1.0%	0.7%
	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from school districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the NYSTRS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability (asset) of the school districts calculated using the discount rate of 7.10%, as well as what the school districts' net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10%) or 1-percentage-point higher (8.10%) than the current rate:

	<u>1% Decrease (6.10%)</u>	<u>Current Discount (7.10%)</u>	<u>1% Increase (8.10%)</u>
Employer's Proportionate Share of Net Pension Liability (Asset)	\$ 51,793,895	\$ 8,199,576	\$ (28,387,106)

10. PENSION PLANS (Continued)

New York State Teachers' Retirement System (Continued)

Pension Plan Fiduciary Net Position

The components of the current year net pension liability (asset) of the employers as of June 30, 2020, were as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	\$ 123,242,776,215
Net position	120,479,505,380
Net pension liability (asset)	<u>\$ 2,763,270,835</u>
TRS net position as a percentage of total pension liability	97.76%

11. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The School District administers a defined benefit OPEB plan that provides OPEB for all permanent full-time general employees of the School District.

The plan is a single-employer defined benefit OPEB plan administered by the School District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

The School District provides for continuation of medical and/or Medicare Part B benefits for retirees and their spouses. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the School District offices and are available upon request.

Employees Covered by Benefit Terms

At June 30, 2021, the following employees were covered by the benefit terms:

Inactive members or beneficiaries	
currently receiving benefits	540
Inactive members entitled to but not yet	
receiving benefits	-
Active members	<u>971</u>
Total participants	<u><u>1,511</u></u>

Total OPEB Liability

The School District's total OPEB liability of \$184,312,873 was measured as of June 30, 2021, and was determined by an actuarial valuation as of January 1, 2020.

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions and Other Inputs

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

Inflation	2.50%
Payroll growth	Vary by pension retirement system membership (New York State Teachers Retirement System (TRS) or Employees Retirement System (ERS))
Discount Rate	2.16%
Healthcare Cost Trend Rates	
Medical/Prescription Drug	6.00% from 2021 to 2022, decreasing gradually to an ultimate rate of 4.04% by 2075
Part B Reimbursement	6.20% from 2021 to 2022, followed by projected Part B premium increase shown in the 2020 Medicare Trustees report, decreasing gradually to an ultimate rate of 4.04% by 2075

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

Mortality rates were based on the RP-2018 Total Dataset Mortality Table, projected fully generationally using Scale MP-2018.

Changes in the Total OPEB Liability

Balance at July 1, 2020	<u>\$176,109,730</u>
Changes for the Year	
Service cost	9,547,384
Interest	4,069,763
Change in benefit terms	-
Difference between expected and actual experience	(13,708,908)
Changes of assumptions or other inputs	11,321,299
Benefit payments	<u>(3,026,395)</u>
Net changes	<u>8,203,143</u>
Balance at June 30, 2021	<u><u>\$184,312,873</u></u>

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.16%) or 1 percentage point higher (3.16%) than the current discount rate:

	1% Decrease (1.16%)	Current Discount (2.16%)	1% Increase (3.16%)
Total OPEB Liability	<u>\$223,631,377</u>	<u>\$184,312,873</u>	<u>\$153,791,237</u>

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

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.00%) or 1 percentage point higher (7.00%) than the current healthcare cost trend rate:

	Healthcare Trend Rate		
	1% Decrease (5.00%)	Current Rate (6.00%)	1% Increase (7.00%)
Total OPEB Liability	<u>\$148,687,118</u>	<u>\$184,312,873</u>	<u>\$232,560,058</u>

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

For the year ended June 30, 2021, the School District recognized OPEB expense of \$9,791,993. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual Experience	\$ -	\$ 19,145,285
Changes of assumptions or other inputs	<u>47,946,269</u>	<u>6,516,806</u>
Total	<u>\$ 47,946,269</u>	<u>\$ 25,662,091</u>

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2022	\$ 2,088,334
2023	2,088,334
2024	2,346,031
2025	4,431,014
2026	4,431,010
Thereafter	<u>6,899,455</u>
	<u>\$ 22,284,178</u>

12. RISK MANAGEMENT

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

The School District does not purchase insurance for the risk of losses for unemployment and workers' compensation claims. Instead, the School District manages its risks for these losses internally and accounts for these in the School District's general fund, including provisions for unexpected and unusual claims.

Claims are recognized as expenditures when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. At June 30, 2021, management estimates there are no outstanding claims liabilities.

13. TAX ABATEMENTS

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

13. TAX ABATEMENTS (Continued)

The District School District has three real property tax abatement agreements entered into by the Town of Colonie IDA. These agreements provide for abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT) in compliance with tax exemption policy. PILOTs are granted in accordance with various activities such as new affordable housing construction, purchase of an existing facility, development of a new facility, or the improvement or expansion of an existing facility to promote job creation or retention. There are no policies for recapture of PILOTS should the applicant not meet certain criteria. The amount of property tax abated in the School District for the year ended June 30, 2021 was approximately \$710,000.

PILOT revenue recognized during the year was approximately \$372,000.

14. RISK MANAGEMENT

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

Workers' Compensation Plan

The School District is self-insured for workers compensation benefits on a cost-reimbursement basis. Under the program, the School District is responsible for claim payments.

All known claims filed and an estimate of all incurred but unreported claims existing at June 30, 2021 have been recorded as other liabilities. The School District establishes workers compensation claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claims frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to the liability in the periods in which they are made.

As discussed above, the School 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.

14. RISK MANAGEMENT (Continued)

The following represents changes in those aggregate liabilities for the District during 2021:

	<u>2021</u>	<u>2020</u>
Unpaid claims and claim adjustment expenses - beginning of year	\$ 1,226,203	\$ 640,507
Incurred claims and claim adjustment expenses:		
Provision for incurred claims expenses for events of the current year	228,383	382,609
Increase (decrease) in provision for incurred events of prior years	<u>826,957</u>	<u>503,061</u>
Total incurred claims and claim adjustment expenses	<u>1,055,340</u>	<u>885,670</u>
Payments made for claims during the current year	<u>(979,220)</u>	<u>(299,974)</u>
Total unpaid claims and claim adjustment expenses - end of year	<u>\$ 1,302,323</u>	<u>\$ 1,226,203</u>

15. CONTINGENCIES AND COMMITMENTS

Litigation

The School District has been named as a defendant in several tax certiorari cases. A review by management and the School District's attorneys indicate these actions are substantial enough to materially affect the financial position of the School District, however the School District believes the tax certiorari reserve of approximately \$1.1 million is adequate to cover any potential settlements that could occur.

The School District is a defendant in various lawsuits and intends to vigorously defend its position. It is the opinion of management and attorneys that all potential losses will be covered by insurance or not materially affect the School District.

Other Contingencies

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

Commitments

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

16. CHANGE IN ACCOUNTING PRINCIPLE

The School District adopted GASB Statement No. 84, Fiduciary Activities, during the year ended June 30, 2021. Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

This Statement clarified the criteria for reporting certain activities as governmental or fiduciary activities. As a result, beginning cash, liabilities, fund balance, and net position were adjusted as noted below for the following opinion units:

	Governmental Activities		
	Cash	Accrued	Net Position
		Liabilities	
Balance at June 30, 2020, as previously reported	\$ 42,830,387	\$ 231,611	\$ (50,670,209)
Restatement of beginning balance - Adoption of GASB Statement No. 84	1,017,218	679,839	337,379
Balance at June 30, 2020, as restated	<u>\$ 43,847,605</u>	<u>\$ 911,450</u>	<u>\$ (50,332,830)</u>
	General Fund		
	Cash	Accrued	
		Liabilities	
Balance at June 30, 2020, as previously reported	\$ 28,977,270	\$ 198,393	
Restatement of beginning balance - Adoption of GASB Statement No. 84	679,839	679,839	
Balance at June 30, 2020, as restated	<u>\$ 29,657,109</u>	<u>\$ 878,232</u>	
	Miscellaneous Special Revenue Fund		
	Cash	Accrued	Fund Balance
		Liabilities	
Balance at June 30, 2020, as previously reported	\$ -	\$ -	\$ -
Restatement of beginning balance - Adoption of GASB Statement No. 84	337,379	-	337,379
Balance at June 30, 2020, as restated	<u>\$ 337,379</u>	<u>\$ -</u>	<u>\$ 337,379</u>
	Agency Fund		
	Cash	Accrued/Other	
		Liabilities	
Balance at June 30, 2020, as previously reported	\$ 931,771	\$ 931,771	
Restatement of beginning balance - Adoption of GASB Statement No. 84	(931,771)	(931,771)	
Balance at June 30, 2020, as restated	<u>\$ -</u>	<u>\$ -</u>	
	Private Purpose Trust Fund		
	Cash	Accrued/Other	Net Position
		Liabilities	
Balance at June 30, 2020, as previously reported	\$ 85,447	\$ -	\$ 85,447
Restatement of beginning balance - Adoption of GASB Statement No. 84	(85,447)	-	(85,447)
Balance at June 30, 2020, as restated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

17. COVID-19 PANDEMIC

As of the date of this report, the United States continues to be affected by a national health emergency related to a virus, commonly known as novel coronavirus (COVID-19). During 2020, the NYS Governor put the economy “on pause” in an effort to combat the spread of COVID. As a result, many businesses were closed, or their operations were severely curtailed. The School District acted proactively as well in an effort to protect its employees as well as the School District population.

In response to the economic impact, the COVID pandemic, the United States government passed several stimulus bills (Coronavirus Aid, Relief, and Economic Security Act; Coronavirus Response and Relief Supplemental Appropriations Act; and American Rescue Plan Act) in an effort to provide relief to businesses, families and governments that have been devastated by the closure of large segments of the economy.

The School District’s remaining allocations for each of the stimulus plans are:

CARES	Entirely spent in fiscal 2021
CRRSA	\$5,668,835
ARPA	\$3,645,061

18. SUBSEQUENT EVENT

The \$101,210,000 BAN outstanding as of June 30, 2021 matured on July 16, 2021. On July 15, 2021, the School District issued Serial Bonds in the amount of \$73,940,000. The proceeds of these bonds, together with \$1,605,000 in available funds, will be used to partially redeem and permanently finance a \$75,545,000 portion of the \$101,210,000 BANs on the maturity date. The remaining principal balance of the maturing BANs will be fully redeemed with the proceeds of BANs issued on July 15, 2021 in the amount of \$26,835,000. The Serial Bonds mature on July 15, 2040. The BANs mature on July 15, 2022.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

NORTH COLONIE CENTRAL SCHOOL DISTRICT

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Encumbrances</u>	<u>Final Budget Variance with Budgetary Actual</u>
REVENUE					
LOCAL SOURCES:					
Real property taxes	\$ 88,215,013	\$ 83,940,872	\$ 83,776,125	\$ -	\$ (164,747)
Other tax items	493,372	4,767,513	4,766,012	-	(1,501)
Charges for services	2,492,360	2,492,360	2,309,867	-	(182,493)
Use of money and property	380,500	380,500	270,787	-	(109,713)
Sale of property and compensation for loss	125,000	125,000	167,579	-	42,579
Miscellaneous	<u>290,000</u>	<u>290,000</u>	<u>557,822</u>	-	<u>267,822</u>
Total local sources	91,996,245	91,996,245	91,848,192	-	(148,053)
State sources	20,593,256	20,593,256	21,931,303	-	1,338,047
Federal sources	<u>150,000</u>	<u>150,000</u>	<u>703,296</u>	-	<u>553,296</u>
Total revenue	<u>112,739,501</u>	<u>112,739,501</u>	<u>114,482,791</u>	-	<u>1,743,290</u>

(Continued)

NORTH COLONIE CENTRAL SCHOOL DISTRICT

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)
(Continued)
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Encumbrances</u>	<u>Variance with Budgetary Actual and Encumbrances</u>
EXPENDITURES					
GENERAL SUPPORT:					
Board of education	\$ 68,557	\$ 74,467	\$ 66,681	\$ -	\$ 7,786
Central administration	602,165	614,480	595,236	-	19,244
Finance	999,380	1,006,752	829,080	27	177,645
Staff	789,961	792,765	620,448	24	172,293
Central services	9,229,019	9,558,945	7,881,434	206,803	1,470,708
Special items	<u>971,612</u>	<u>996,612</u>	<u>859,555</u>	<u>25,000</u>	<u>112,057</u>
Total general support	<u>12,660,694</u>	<u>13,044,021</u>	<u>10,852,434</u>	<u>231,854</u>	<u>1,959,733</u>
INSTRUCTION:					
Instruction, administration, and improvement	7,401,549	7,518,300	7,098,356	5,750	414,194
Teaching - Regular school	35,848,029	37,571,711	35,795,127	125,253	1,651,331
Programs for children with handicapping conditions	11,437,511	11,916,391	10,997,073	1,436	917,882
Occupational education	-	-	-	-	-
Teaching - Special school	381,886	139,736	10,915	18,052	110,769
Instructional media	2,414,995	2,611,362	2,267,649	139,615	204,098
Pupil services	<u>6,025,897</u>	<u>6,117,190</u>	<u>5,458,834</u>	<u>21,825</u>	<u>636,531</u>
Total instruction	63,509,867	65,874,690	61,627,954	311,931	3,934,805
Pupil transportation	5,937,238	5,994,416	5,324,836	1,365	668,215
Employee benefits	30,436,414	28,201,997	27,508,970	-	693,027
Debt service - principal	3,240,000	3,240,000	3,240,000	-	-
Debt service - interest	<u>1,940,288</u>	<u>1,940,288</u>	<u>1,940,288</u>	<u>-</u>	<u>-</u>
Total expenditures	117,724,501	118,295,412	110,494,482	545,150	7,255,780
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	<u>(255,000)</u>	<u>(255,000)</u>	<u>(217,171)</u>	<u>-</u>	<u>37,829</u>
Total expenditures and other financing uses	<u>117,979,501</u>	<u>118,550,412</u>	<u>110,711,653</u>	<u>545,150</u>	<u>7,293,609</u>
NET CHANGE IN FUND BALANCE	(5,240,000)	(5,810,911)	3,771,138	(545,150)	9,036,899
FUND BALANCE - beginning of year	<u>23,734,462</u>	<u>23,734,462</u>	<u>23,734,462</u>	<u>-</u>	<u>-</u>
FUND BALANCE - end of year	<u>\$ 18,494,462</u>	<u>\$ 17,923,551</u>	<u>\$ 27,505,600</u>	<u>\$ (545,150)</u>	<u>\$ 9,036,899</u>

See the independent auditor's report

NORTH COLONIE CENTRAL SCHOOL DISTRICT

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2021**

	Last 10 Plan Fiscal Years (Dollar amounts displayed in thousands)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN										
Proportion of the net pension liability (asset)	0.0455402%	0.0451017%	0.0449804%	0.0467620%	0.0493700%	0.0516956%	0.0507812%			
Proportionate share of the net pension liability (asset)	\$45	\$11,943	\$3,187	\$1,509	\$4,639	\$8,297	\$1,716			
Covered-employee payroll	\$15,564	\$15,225	\$15,268	\$14,946	\$14,573	\$14,718	\$14,365			
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.29%	78.44%	20.87%	10.10%	31.83%	56.38%	11.94%			
Plan fiduciary net position as a percentage of the total pension liability (asset)	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%			
								Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.		
NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN										
Proportion of the net pension liability (asset)	0.296734%	0.294019%	0.284816%	0.280479%	0.283163%	0.283157%	0.281151%			
Proportionate share of the net pension liability (asset)	\$8,200	(\$7,639)	(\$5,150)	(\$2,132)	\$3,033	\$29,411	\$31,318			
Covered-employee payroll	\$50,633	\$50,365	\$49,576	\$46,372	\$45,295	\$42,534	\$41,530			
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	16.19%	-15.17%	-10.39%	-4.60%	6.70%	69.15%	75.41%			
Plan fiduciary net position as a percentage of the total pension liability (asset)	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%			
								Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.		

NORTH COLONIE CENTRAL SCHOOL DISTRICT

**SCHEDULE OF CONTRIBUTIONS - PENSION PLANS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2021**

	Last 10 Plan Fiscal Years (Dollar amounts displayed in thousands)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN										
Contractually required contribution	\$ 2,173	\$ 2,186	\$ 2,122	\$ 2,160	\$ 2,205	\$ 2,660	\$ 2,781			
Contributions in relation to the contractually required contribution	<u>2,173</u>	<u>2,186</u>	<u>2,122</u>	<u>2,160</u>	<u>2,205</u>	<u>2,660</u>	<u>2,781</u>			
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>			
Covered-employee payroll	\$ 15,564	\$ 15,225	\$ 15,268	\$ 14,946	\$ 14,573	\$ 14,718	\$ 14,365			
Contributions as a percentage of covered-employee payroll	13.96%	14.36%	13.90%	14.45%	15.13%	18.07%	19.36%			

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

	Last 10 Plan Fiscal Years (Dollar amounts displayed in thousands)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN										
Contractually required contribution	\$ 4,825	\$ 5,212	\$ 4,547	\$ 5,209	\$ 5,794	\$ 7,456	\$ 6,749			
Contributions in relation to the contractually required contribution	<u>4,825</u>	<u>5,212</u>	<u>4,547</u>	<u>5,209</u>	<u>5,794</u>	<u>7,456</u>	<u>6,749</u>			
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>			
Covered-employee payroll	\$ 50,633	\$ 50,365	\$ 49,576	\$ 46,372	\$ 45,295	\$ 42,534	\$ 41,530			
Contributions as a percentage of covered-employee payroll	9.53%	10.35%	9.17%	11.23%	12.79%	17.53%	16.25%			

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

NORTH COLONIE CENTRAL SCHOOL DISTRICT

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2021**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total OPEB Liability										
Service cost	\$ 9,547,384	\$ 6,678,614	\$ 6,681,773	\$ 6,432,823						
Interest	4,069,763	4,998,530	4,905,782	4,743,137						
Change in benefit terms	-	(4,238,775)	-	-						
Difference between expected and actual experience	(13,708,908)	(3,479,392)	(6,399,771)	-						
Changes in assumptions and other inputs	11,321,299	38,108,364	13,188,887	(16,141,063)						
Benefit payments	(3,026,395)	(3,345,660)	(2,122,353)	(2,082,479)						
Total change in total OPEB liability	8,203,143	38,721,681	16,254,318	(7,047,582)						
Total OPEB liability - beginning	176,109,730	137,388,049	121,133,731	128,181,313						
Total OPEB liability - ending	\$ 184,312,873	\$ 176,109,730	\$ 137,388,049	\$ 121,133,731						
Covered-employee payroll	\$ 60,579,875	\$ 61,532,625	\$ 60,538,298	\$ 61,443,643						
Total OPEB liability as a percentage of covered-employee payroll	304.2%	286.2%	226.9%	197.1%						

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

Notes to schedule:

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

Discount rate	2.16%	2.21%	3.51%	3.87%
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Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

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

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

SUPPLEMENTARY INFORMATION (UNAUDITED)

NORTH COLONIE CENTRAL SCHOOL DISTRICT

**SCHEDULE OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET - GENERAL FUND
AND SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2021**

CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET

Adopted budget	\$ 117,979,501
Add: Prior year's encumbrances	<u>577,107</u>
Original budget	118,556,608
Budget revisions	<u>(6,196)</u>
Final budget	<u>\$ 118,550,412</u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2021-22 voter-approved expenditure budget	\$ 124,977,067	
Maximum allowed (4% of 2021-22 budget)		<u>\$ 4,999,083</u>

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

Unrestricted fund balance:	
Assigned fund balance	\$ 4,145,150
Unassigned fund balance	<u>4,967,121</u>
	<u>9,112,271</u>

Less:

Appropriated fund balance	3,600,000
Encumbrances included in assigned fund balance	<u>545,150</u>
Total adjustments	<u>4,145,150</u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u>\$ 4,967,121</u>
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Actual percentage	3.97%
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* Per Office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions", Updated April 2011 (Originally Issued November 2010), the portion of [General Fund] fund balance subject to Section 1318 of the Real Property Tax Law is: unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

NORTH COLONIE CENTRAL SCHOOL DISTRICT

SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2021

PROJECT TITLE	PROJECT NUMBER	Expenditures					Unexpended Balance	Methods of Financing				Fund Balance June 30, 2020
		Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total		Proceeds of Obligations	State Aid	Local Sources	Total	
Blue Creek	0003-007	172,833	\$ 2,141,194	\$ 1,106,738	\$ 890,191	\$ 1,996,929	\$ 144,265	\$ -	\$ -	\$ -	\$ -	\$ (1,996,929)
Blue Creek	0003-008	150,000	150,000	129,208	-	129,208	20,792	-	-	129,208	129,208	-
Blue Creek	0003-009	49,828	49,828	70,776	4,438	75,214	(25,386)	-	-	49,828	49,828	(25,386)
Loudonville	0004-008	420	197,164	604,942	681,074	1,286,016	(1,088,852)	-	-	-	-	(1,286,016)
Loudonville	0004-009	4,121	50,000	70,000	-	70,000	(20,000)	-	-	50,000	50,000	(20,000)
Loudonville	0004-010	439,603	439,603	249,864	11,245	261,109	178,494	-	-	439,603	439,603	178,494
Shaker High School	0005-010	1,240,000	685,150	1,566,332	-	1,566,332	(881,182)	-	-	1,566,332	1,566,332	-
Shaker High School	0005-011	983,546	1,842,818	2,364,606	3,079,949	5,444,555	(3,601,737)	-	-	-	-	(5,444,555)
Shaker High School	0005-012	945,000	945,000	319,030	-	319,030	625,970	-	-	319,030	319,030	-
Shaker High School	0005-013	23,489	23,489	265,954	-	265,954	(242,465)	-	-	285,000	285,000	19,046
Shaker High School	0005-014	1,992,512	9,321,203	10,077,037	1,130,213	11,207,250	(1,886,047)	-	-	-	-	(11,207,250)
Shaker High School	0005-015	-	4,285	4,285	-	4,285	-	-	-	-	-	(4,285)
Shaker High School	0005-016	84,848	84,848	235,047	15,494	250,541	(165,693)	-	-	84,848	84,848	(165,693)
Southgate	0006-006	636,526	4,744,382	4,503,705	823,424	5,327,129	(582,747)	-	-	-	-	(5,327,129)
Southgate	0006-007	100,000	100,000	67,455	-	67,455	32,545	-	-	67,455	67,455	-
Southgate	0006-008	30,907	30,907	265,119	-	265,119	(234,212)	-	-	375,000	375,000	109,881
Southgate	0006-009	48,076	48,076	60,048	2,519	62,567	(14,491)	-	-	48,076	48,076	(14,491)
Boght Hills	0007-004	1,167,595	5,206,530	4,027,914	944,337	4,972,251	234,279	-	-	-	-	(4,972,251)
Boght Hills	0007-005	290,000	290,000	240,541	-	240,541	49,459	-	-	240,541	240,541	-
Boght Hills	0007-006	12,775	12,775	62,297	73,669	135,966	(123,191)	-	-	155,000	155,000	19,034
Boght Hills	0007-007	40,200	40,200	50,688	1,852	52,540	(12,340)	-	-	40,200	40,200	(12,340)
Forts Ferry	0008-006	420	434,643	874,829	1,272,459	2,147,288	(1,712,645)	-	-	-	-	(2,147,288)
Forts Ferry	0008-007	75,000	75,000	225,870	-	225,870	(150,870)	-	-	225,870	225,870	-
Forts Ferry	0008-008	21,016	21,016	246,842	30,963	277,805	(256,789)	-	-	255,000	255,000	(22,805)
Forts Ferry	0008-009	234,844	234,844	81,443	5,005	86,448	148,396	-	-	234,844	234,844	148,396
Shaker Junior High	0009-006	13,646,400	51,884,913	47,501,774	6,642,406	54,144,180	(2,259,267)	-	-	3,744,524	3,744,524	(50,399,656)
Shaker Junior High	0009-008	40,000	40,000	18,884	-	18,884	21,116	-	-	18,884	18,884	-
Shaker Junior High	0009-009	33,791	33,791	46,482	-	46,482	(12,691)	-	-	410,000	410,000	363,518
Shaker Junior High	0009-010	-	15,739	138,636	204,072	342,708	(326,969)	-	-	-	-	(342,708)
Shaker Junior High	0009-011	74,619	74,619	50,350	4,316	54,666	19,953	-	-	74,619	74,619	19,953
Latham Ridge	0011-006	420	282,394	867,900	1,911,008	2,778,908	(2,496,514)	-	-	774,289	774,289	(2,004,619)
Latham Ridge	0011-007	15,000	15,000	3,917	-	3,917	11,083	-	-	3,917	3,917	-
Latham Ridge	0011-008	131,456	131,456	870,409	121,916	992,325	(860,869)	-	-	1,595,000	1,595,000	602,675
Latham Ridge	0011-009	57,453	57,453	41,422	4,177	45,599	11,854	-	-	57,453	57,453	11,854
Maplewood Emergency 2019	0030-002	-	-	64,037	-	64,037	(64,037)	-	-	64,323	64,323	286
Goodrich	1002-002	20,604	250,000	528,755	-	528,755	(278,755)	-	-	250,000	250,000	(278,755)
Goodrich	1002-003	52,736	52,736	56,058	-	56,058	(3,322)	-	-	56,058	56,058	-
Goodrich	1002-004	43,776	43,776	32,251	2,706	34,957	8,819	-	-	43,776	43,776	8,819
Storage Building	2034-001	2,819	219,922	215,978	14,033	230,011	(10,089)	-	-	-	-	(230,011)
Bus Garage	5015-004	33,201	419,852	558,352	41,579	599,931	(180,079)	-	-	-	-	(599,931)
Bus Garage	5015-005	500,000	500,000	470,033	-	470,033	29,967	-	-	470,033	470,033	-
Bus Garage	5015-006	6,181	6,181	328,680	-	328,680	(322,499)	-	-	75,000	75,000	(253,680)
Bus Garage	5015-008	96,753	96,753	103,638	5,442	109,080	(12,327)	-	-	96,753	96,753	(12,327)
Pressbox	7033-001	249,817	497,575	322,008	19,109	341,117	156,458	-	-	-	-	(341,117)
Concession Building	7035-001	48,624	968,299	928,428	133,535	1,061,963	(93,664)	-	-	-	-	(1,061,963)
Girls Dugout	7036-001	3,933	46,643	51,259	3,027	54,286	(7,643)	-	-	-	-	(54,286)
Boys Dugout	7037-001	3,933	46,643	51,259	3,027	54,286	(7,643)	-	-	-	-	(54,286)
District Wide Telephone	7999-002	2,053	12,018	417,474	-	417,474	(405,456)	-	-	417,474	417,474	-
District Wide SSBA	7999-BA1	447,703	447,703	490,178	40,124	530,302	(82,599)	-	-	490,178	490,178	(40,124)
District Wide SSBA	7999-EQU	358,211	358,211	765,453	-	765,453	(407,242)	-	-	765,453	765,453	-
		\$ 24,613,042	\$ 83,674,632	\$ 82,694,185	\$ 18,117,309	\$ 100,811,494	\$ (17,136,862)	\$ -	\$ -	\$ 13,973,569	\$ 13,973,569	\$ (86,837,925)

NORTH COLONIE CENTRAL SCHOOL DISTRICT

SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2021

Capital assets, net		\$ 156,751,069
Deduct:		
Bond anticipation notes	101,210,000	
Short-term portion of bonds payable	2,460,000	
Long-term portion of bonds payable	<u>2,556,166</u>	<u>106,226,166</u>
Add:		
Unspent bond proceeds	16,628,489	
Deferred amount on bond refunding	<u>163,568</u>	<u>16,792,057</u>
Net investment in capital assets		<u>\$ 67,316,960</u>

REQUIRED REPORTS UNDER *GOVERNMENT AUDITING STANDARDS*

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

October 14, 2021

To the Board of Education of
North Colonie Central School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of North Colonie Central School District (School District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 14, 2021.

Internal Control Over Financial Reporting

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

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

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

(Continued)

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

Compliance and Other Matters

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

Purpose of this Report

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