

NORTH COLONIE CENTRAL SCHOOL DISTRICT

**Financial Statements and Required Report
Under *Government Auditing Standards*
As of June 30, 2023**

Together with Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

October 26, 2023

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the North Colonie Central School District (School District) as of and for the year ended June 30, 2023, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2023, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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(Continued)

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, schedule of changes in total OPEB liability and related ratios, schedule of proportionate share of net pension liability (asset), and schedule of contributions – pension plans be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

(Continued)

INDEPENDENT AUDITOR'S REPORT (Continued)

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual nonmajor fund financial statements are presented for additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, combining and individual nonmajor fund financial statements is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the information required by the New York State Education Department, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2023, 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 North Colonie Central 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.

Bonadio & Co., LLP

NORTH COLONIE CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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, 2023. 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 \$50,174,670. 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 \$146,534,228 at June 30, 2023. 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 \$2.2 million more than at June 30, 2022.
- The School District's 2022-2023 general fund expenditures were less than budgeted by approximately \$6.4 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

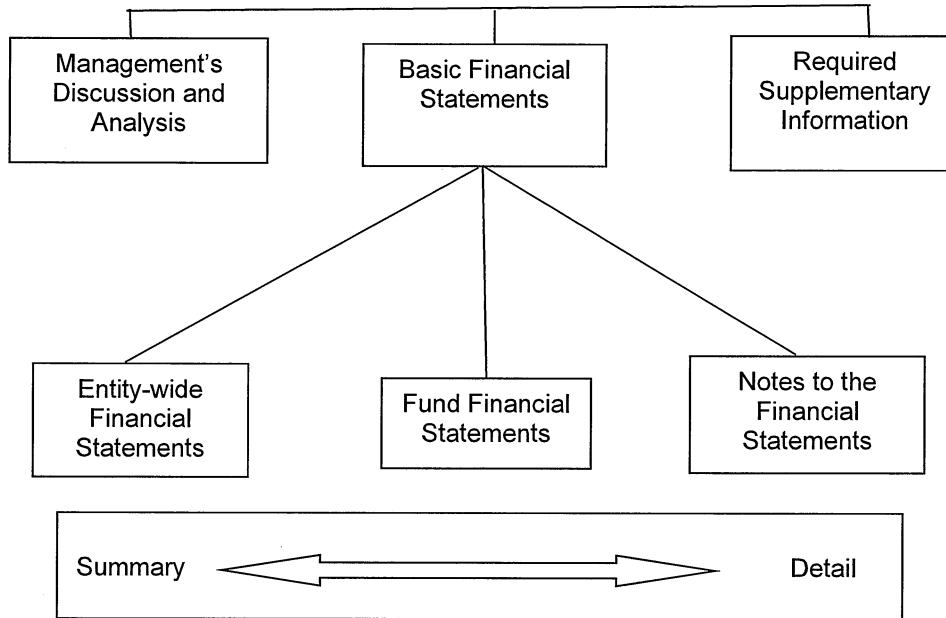


Figure A-2 summarizes the major features of the School District’s financial statements, including the portion of the School District’s activities that they cover and the types of information that they contain. The remainder of this overview section highlights the structure and contents of each statement.

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)

	<u>Fiscal Year 2023</u>	<u>Fiscal Year 2022</u>	<u>Percent Change</u>
Current and other assets	\$ 87,262	\$ 53,103	64.33%
Noncurrent assets	<u>162,162</u>	<u>219,196</u>	-26.02%
Total assets	<u>\$ 249,424</u>	<u>\$ 272,299</u>	-8.40%
Deferred outflows of resources	<u>\$ 72,734</u>	<u>\$ 77,869</u>	-6.59%
Current liabilities	\$ 42,662	\$ 45,013	-5.22%
Long-term liabilities	<u>264,897</u>	<u>228,648</u>	15.85%
Total liabilities	<u>\$ 307,559</u>	<u>\$ 273,661</u>	12.39%
Deferred inflows of resources	<u>\$ 64,773</u>	<u>\$ 128,924</u>	-49.76%
Net position:			
Net investment in capital assets	\$ 69,742	\$ 67,457	3.39%
Restricted	32,510	24,072	35.05%
Unrestricted	<u>(152,426)</u>	<u>(143,946)</u>	-5.89%
Total net position	<u>\$ (50,175)</u>	<u>\$ (52,417)</u>	4.28%

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

Changes in Net Position

The School District's 2023 revenue was approximately \$145.1 million (See Figure A-4). Property taxes and New York State aid accounted for the majority of revenue by contributing 60% and 26%, 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 \$142.9 million for 2023. 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 15% of total costs.

Net position increased during the year by approximately \$2.2 million due primarily to the effects of ERS and TRS proportionate share of deferred outflows, liabilities and deferred inflows.

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

	Fiscal Year <u>2023</u>	Fiscal Year <u>2022</u>	Percent <u>Change</u>
Revenue:			
Charges for services	\$ 4,608	\$ 2,761	66.91%
Operating grants	8,413	13,094	-35.75%
General revenue:			
Property taxes	91,007	89,578	1.59%
State aid	37,394	27,832	34.36%
Federal aid	171	171	0.14%
Interest earnings	2,163	359	502.42%
Miscellaneous	<u>1,372</u>	<u>1,256</u>	9.26%
Total revenue	<u>145,129</u>	<u>135,051</u>	7.46%
Expenses:			
General support	20,892	17,462	19.64%
Instruction	107,466	93,719	14.67%
Transportation	8,671	7,239	19.79%
Debt service - Interest	2,340	1,776	31.76%
Cost of sales - Food	<u>3,517</u>	<u>3,479</u>	1.10%
Total expenses	<u>142,886</u>	<u>123,674</u>	15.53%
Change in net position	<u>\$ 2,243</u>	<u>\$ 11,377</u>	80.29%

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

Figure A-5: Sources of Revenue for 2023:

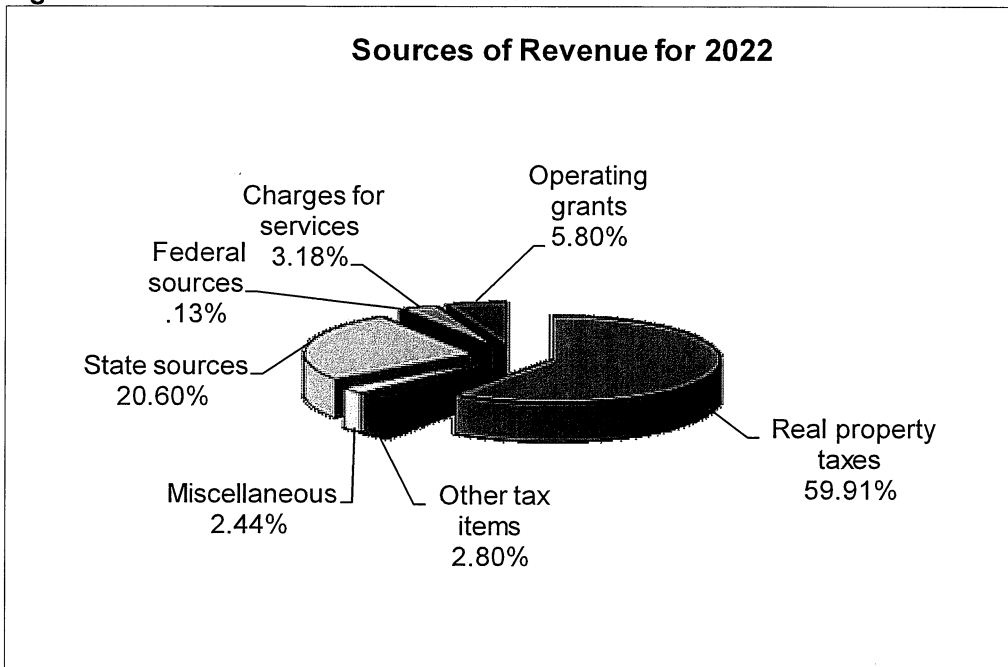
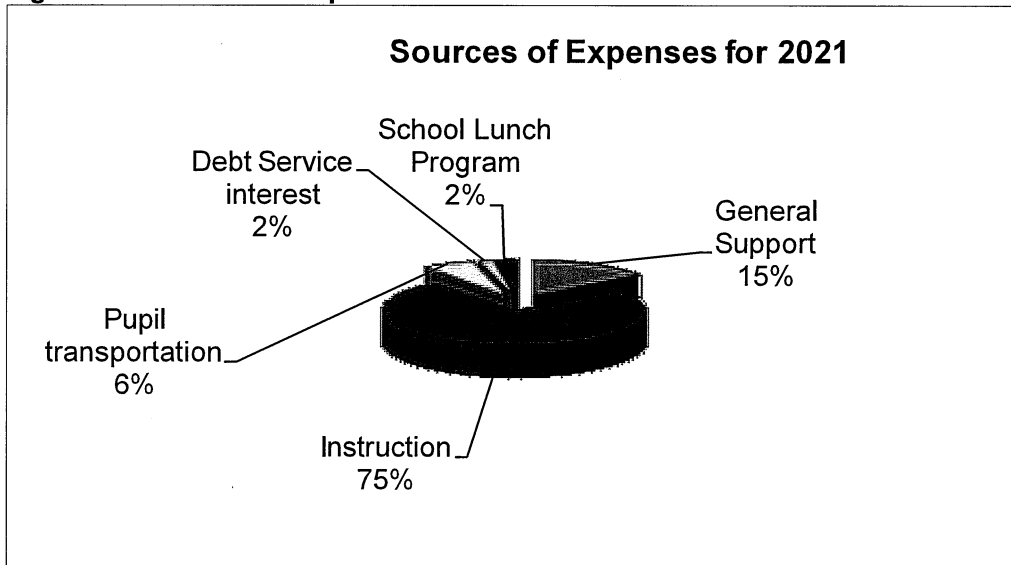


Figure A-6: Sources of Expenses for 2023:



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

Governmental Activities

Revenue for the School District's governmental activities was approximately \$145.1 million while total expenses were approximately \$142.9 million. Accordingly, net position increased by approximately \$2.2 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 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
General support	\$ 20,892	\$ (20,892)	\$ 17,462	\$ (17,462)
Instruction	107,466	(97,311)	93,719	(82,904)
Pupil transportation	8,671	(8,671)	7,239	(7,239)
Debt service - Interest	2,340	(2,340)	1,776	(1,776)
Cost of sales - Food	3,517	(651)	3,479	1,562
	<u>\$ 142,886</u>	<u>\$ (129,865)</u>	<u>\$ 123,674</u>	<u>\$ (107,819)</u>

- The cost of all governmental activities for the year was approximately \$142.9 million.
- The users of the School District's programs financed approximately \$4.6 million of the costs through charges for services.
- The federal and state government financed approximately \$8.4 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 expenditures exceeded revenues by \$181 thousand.

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 \$8.2 million.

Expenditure Variances

Expenditures were less than budgeted by approximately \$6.4 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	\$ 94,174	\$ 94,174	\$ 97,018	\$ -	\$ 2,844
State sources	36,415	36,415	37,394	-	979
Federal sources	150	150	171	-	21
Proceeds from issuance of debt	-	-	3,423	-	3,423
Proceeds from issuance of leases	-	-	933	-	933
Total	<u>130,740</u>	<u>130,740</u>	<u>138,940</u>	<u>-</u>	<u>8,201</u>
Expenditures:					
General support	13,601	14,356	12,840	553	963
Instruction	70,841	73,355	70,064	779	2,513
Transportation	6,424	6,453	5,965	10	478
Employee benefits	35,218	32,610	29,229	-	3,381
Debt service	8,459	8,459	9,395	-	(936)
Transfers to other funds	325	438	438	-	-
Total	<u>134,870</u>	<u>135,671</u>	<u>127,931</u>	<u>1,342</u>	<u>6,399</u>
Revenue over (under) expenditures	<u>\$ (4,130)</u>	<u>\$ (4,932)</u>	<u>\$ 11,009</u>	<u>\$ (1,342)</u>	<u>\$ 14,600</u>

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

CAPITAL ASSET AND DEBT ADMINISTRATION

As of June 30, 2023, the School District had approximately \$162.2 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>2023</u>	Fiscal Year <u>2022</u>
Land	\$ 701	\$ 701
Construction in progress	25,531	104,047
Land improvements	353	407
Buildings	129,174	52,004
Furniture and equipment	1,915	2,020
Vehicles	3,505	4,279
Leased equipment	<u>983</u>	<u>435</u>
Total	<u>\$ 162,162</u>	<u>\$ 163,892</u>

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

Long-Term Debt

As of June 30, 2023, the School District had \$268,572,229 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 2023	Fiscal Year 2022
General obligation bonds (financed with property taxes)	\$ 99,723	\$ 77,742
Other long-term debt	<u>168,850</u>	<u>156,886</u>
Total	<u>\$ 268,572</u>	<u>\$ 234,628</u>

During 2023, the School District issued \$24,615,000 in serial bonds while paying down its bonded debt by \$5,980,000. Further, the School District's OPEB liability decreased \$5.0 million. The net pension assets for TRS and ERS both became net pension liabilities due to the 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 25% 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. The enacted 2022-23 NYS budget provided for the second installment with full restoration is projected in 2023-24 school year. The restoration will provide substantial and appropriate funding due to the School District, which will be important as the student population and academic needs continue 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 the school district due to inflationary pressures as well as rising costs of employee benefits such as healthcare and retirement contributions. The short-term impact is being felt with increased costs but has been offset in-part through significant stimulus funding that will continue through September 2024. The use of and preservation of these resources in a thoughtful and strategic manner has been critical 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:

Ms. Cybil Howard
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, 2023**

ASSETS

CURRENT ASSETS:

Cash and cash equivalents - unrestricted	\$ 11,719,771
Cash and cash equivalents - restricted	40,515,241
Cash with fiscal agent	25,390,000
Accounts receivable	170,782
State and federal aid receivable	6,550,434
Due from other governments	2,750,769
Prepaid expenses	10,000
Inventory	<u>154,778</u>
Total current assets	<u>87,261,775</u>

NONCURRENT ASSETS:

Capital assets, non-depreciable	26,231,913
Capital assets, depreciable, net	<u>135,929,979</u>
Total noncurrent assets	<u>162,161,892</u>

TOTAL ASSETS

249,423,667

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources - ERS	7,709,011
Deferred outflows of resources - TRS	31,360,265
Deferred outflows of resources - OPEB	<u>33,664,677</u>
Total Deferred Outflows of Resources	<u>72,733,953</u>

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

322,157,620

LIABILITIES

CURRENT LIABILITIES:

Accounts payable	2,907,433
Accrued liabilities	1,018,497
Unearned revenue	274,773
Bond anticipation note payable	26,100,000
Due to Teachers' Retirement System	6,464,937
Due to Employees' Retirement System	590,488
Bond interest accrual	1,630,909
Bonds payable due within one year	<u>3,675,000</u>
Total current liabilities	<u>42,662,037</u>

LONG-TERM LIABILITIES:

Bonds payable, net of current portion	96,047,598
Net pension liability - ERS	10,675,126
Net pension liability - TRS	5,945,036
Workers compensation liability	1,023,511
Judgments and claims	257,473
Compensated absences	4,414,257
Total other postemployment benefits liability	<u>146,534,228</u>
Total long-term liabilities	<u>264,897,229</u>

TOTAL LIABILITIES

307,559,266

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources - ERS	498,591
Deferred inflows of resources - TRS	3,643,816
Deferred inflows of resources - OPEB	<u>60,630,617</u>
Total Deferred Inflows of Resources	<u>64,773,024</u>

TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

372,332,290

NET POSITION

Net investment in capital assets	69,741,939
Restricted	32,509,521
Unrestricted	<u>(152,426,130)</u>
TOTAL NET POSITION	<u>\$ (50,174,670)</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, 2023**

	<u>Expenses</u>	<u>Program Revenue</u>		<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in</u> <u>Net Position</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants</u>	
FUNCTIONS/PROGRAMS:				
General support	\$ 20,891,744	-	-	\$ (20,891,744)
Instruction	107,465,635	3,329,850	6,825,162	(97,310,623)
Pupil transportation	8,671,381	-	-	(8,671,381)
Debt service interest	2,340,094	-	-	(2,340,094)
School lunch program	<u>3,517,322</u>	<u>1,278,481</u>	<u>1,588,142</u>	<u>(650,699)</u>
TOTAL FUNCTIONS/PROGRAMS	<u>\$ 142,886,176</u>	<u>\$ 4,608,331</u>	<u>\$ 8,413,304</u>	<u>(129,864,541)</u>
GENERAL REVENUE:				
Real property taxes				86,945,168
Other tax items				4,061,562
Use of money and property				2,162,676
Sale of property and compensation for loss				59,895
Miscellaneous				1,312,411
State sources				37,394,467
Medicaid reimbursement				<u>171,232</u>
TOTAL GENERAL REVENUE				<u>132,107,411</u>
CHANGE IN NET POSITION				2,242,870
TOTAL NET POSITION - beginning of year				<u>(52,417,540)</u>
TOTAL NET POSITION - end of year				<u>\$ (50,174,670)</u>

The accompanying notes are an integral part of these statements.

NORTH COLONIE CENTRAL SCHOOL DISTRICT

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Governmental Fund Types			
	General	Capital Projects	Non-Major Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents - unrestricted	9,925,437	\$ -	\$ 1,794,334	\$ 11,719,771
Cash and cash equivalents - restricted	32,138,011	8,012,645	364,585	40,515,241
Cash with fiscal agent	-	25,390,000	-	25,390,000
Accounts receivable	168,999	-	1,783	170,782
Due from other funds	5,925,408	-	90,878	6,016,286
State and federal aid receivable	3,694,325	-	2,856,109	6,550,434
Due from other governments	2,750,769	-	-	2,750,769
Prepaid expenditures	10,000	-	-	10,000
Inventory	-	-	154,778	154,778
TOTAL ASSETS	\$ 54,612,949	\$ 33,402,645	\$ 5,262,467	\$ 93,278,061
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE				
LIABILITIES:				
Accounts payable	\$ 1,944,460	\$ 780,285	\$ 182,688	\$ 2,907,433
Accrued liabilities	1,011,048	-	7,449	1,018,497
Bond anticipation notes payable	-	26,100,000	-	26,100,000
Unearned revenue	17,605	-	257,168	274,773
Due to other funds	-	3,423,245	2,593,041	6,016,286
Due to Teachers' Retirement System	6,464,937	-	-	6,464,937
Due to Employees' Retirement System	590,488	-	-	590,488
TOTAL LIABILITIES	10,028,538	30,303,530	3,040,346	43,372,414
FUND BALANCE:				
Nonspendable:				
Inventory	-	-	154,778	154,778
Prepaid expenditures	10,000	-	-	10,000
Total nonspendable fund balance	10,000	-	154,778	164,778
Restricted:				
Workers' compensation	1,023,509	-	-	1,023,509
Unemployment	43,381	-	-	43,381
Retirement contributions	6,360,387	-	-	6,360,387
Tax certiorari	2,656,576	-	-	2,656,576
Capital projects	10,365,296	-	-	10,365,296
Debt	9,573,926	-	-	9,573,926
Employee benefits and accrued liabilities	2,114,936	-	-	2,114,936
Other	-	-	371,510	371,510
Total restricted fund balance	32,138,011	-	371,510	32,509,521
Assigned:				
Unappropriated	1,341,578	-	-	1,341,578
Appropriated for subsequent year expenditures	3,600,000	-	-	3,600,000
Other	-	-	1,695,833	1,695,833
Total assigned fund balance	4,941,578	-	1,695,833	6,637,411
Unassigned	7,494,822	3,099,115	-	10,593,937
TOTAL FUND BALANCE	44,584,411	3,099,115	2,222,121	49,905,647
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 54,612,949	\$ 33,402,645	\$ 5,262,467	\$ 93,278,061

The accompanying notes are an integral part of these statements.

NORTH COLONIE CENTRAL SCHOOL DISTRICT

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO GOVERNMENT-WIDE NET POSITION
JUNE 30, 2023**

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

Total governmental fund balance	\$ 49,905,647
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	162,161,892
Pension related government wide-activity:	
Deferred outflows of resources - ERS	7,709,011
Deferred outflows of resources - TRS	31,360,265
Net pension liability - ERS	(10,675,126)
Net pension liability - TRS	(5,945,036)
Deferred inflows of resources - ERS	(498,591)
Deferred inflows of resources - TRS	(3,643,816)
OPEB related government wide-activity:	
Deferred outflows of resources	33,664,677
Deferred inflows of resources	(60,630,617)
Total OPEB liability	(146,534,228)
Long-term bonds payable are not due in the current period and, therefore, are not reported in the funds	(99,722,598)
Compensated absences are recognized as a liability under full accrual accounting	(4,414,257)
Judgments and claims are recorded in the government-wide statements under full accrual accounting	(257,473)
Workers compensation liability is recorded in the government-wide statements under full accrual accounting	(1,023,511)
Interest payable is to be recorded in the government-wide statements under full accrual accounting	(1,630,909)
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ (50,174,670)

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, 2023

	Governmental Fund Types				Total Governmental Funds
	General	Capital Projects	Non-Major Funds		
REVENUE:					
Real property taxes	\$ 86,945,168	\$ -	\$ -	\$ -	\$ 86,945,168
Other tax items	4,061,562	-	-	-	4,061,562
Charges for services	3,329,850	-	-	-	3,329,850
Use of money and property	2,144,159	18,297	220		2,162,676
Sale of property and compensation for loss	59,895	-	-	-	59,895
Miscellaneous	477,292	-	525,064		1,002,356
State sources	37,394,467	-	733,744		38,128,211
Federal sources	171,232	-	7,679,560		7,850,792
Sales - School lunch	-	-	1,278,481		1,278,481
Total revenue	134,583,625	18,297	10,217,069		144,818,991
EXPENDITURES:					
General support	12,839,897	-	631,006		13,470,903
Instruction	70,063,960	-	6,465,423		76,529,383
Pupil transportation	5,965,393	2,482	149,238		6,117,113
Employee benefits	29,228,741	-	724,785		29,953,526
Debt service - Interest	1,744,063	-	-		1,744,063
Debt service - Principal	7,651,233	-	-		7,651,233
Cost of sales	-	-	2,785,662		2,785,662
Capital outlay	-	1,707,601	-		1,707,601
Total expenditures	127,493,287	1,710,083	10,756,114		139,959,484
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	7,090,338	(1,691,786)	(539,045)		4,859,507
OTHER FINANCING SOURCES (USES):					
Proceeds from issuance of debt	3,423,245	24,615,000	-		28,038,245
Proceeds from issuance of leases	933,479	-	-		933,479
BANs redeemed from appropriations	-	735,000	-		735,000
Premium on BAN	-	310,055	-		310,055
Operating transfers in	-	-	437,572		437,572
Operating transfers (out)	(437,572)	-	-		(437,572)
Total other financing sources (uses)	3,919,152	25,660,055	437,572		30,016,779
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	11,009,490	23,968,269	(101,473)		34,876,286
FUND BALANCE - beginning of year	33,574,921	(20,869,154)	2,323,594		15,029,361
FUND BALANCE - end of year	\$ 44,584,411	\$ 3,099,115	\$ 2,222,121		\$ 49,905,647

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, 2023**

Net changes in fund balance - Total governmental funds	\$ 34,876,286
Capital outlays, net of disposals, are expenditures in governmental funds, but are capitalized in the statement of net position	2,828,197
Depreciation is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities	(4,173,067)
Amortization is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities	(385,404)
Proceeds from the issuance of long-term debt are recorded as other sources in the governmental funds, but are recorded as additions to liabilities in the statement of net position	(28,038,245)
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	6,715,000
BANs redeemed from appropriations are revenue in the governmental funds, but not in the statement of activities	(735,000)
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	(352,355)
Other postemployment benefits do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds	(4,325,672)
Pension expense resulting from the GASB 68 related actuary reporting is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities	(3,566,969)
Amortization of bond premiums is an adjustment to interest expense in the statement of activities	78,003
Amortization of loss on refunding bonds is recorded as an adjustment to interest expense in the statement of activities	-
Accrued interest expense does not require the expenditure of current resources and is, therefore, not reported as an expenditure in the governmental funds	(671,280)
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	(7,448)
Workers compensation	<u>824</u>
Change in net position - Governmental activities	<u>\$ 2,242,870</u>

NORTH COLONIE CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 Capital Region BOCES, 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 major governmental funds:

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

The following are the School District's nonmajor governmental funds:

- *Special Aid Fund* - This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes 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.
- *School Lunch Fund* - This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for school lunch operations. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.
- *Miscellaneous Revenue Fund* - This fund accounts for proceeds from various funding sources, which may be restricted by a donor or designated by the School District for specific purposes. The transactions of the Extraclassroom Activity Funds and scholarships are included in this fund.

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.

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

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.

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 leases are reported as other financing sources.

Cash and Cash Equivalents

Cash and cash equivalents consist of funds deposited in demand deposit accounts, and amounts with the New York Liquid Asset Fund (NYLAF). The School District's deposit and investment policies are governed by State statutes. The School District has adopted its own written investment policy, which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The School District is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include NYLAF, obligations of the U.S. Treasury, U.S. Agencies and obligations of New York State or its political subdivisions and accordingly, the School District's policy provides for no credit risk on investments.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by FDIC insurance. The School District has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and School District subdivisions.

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.

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

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.

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

Capital assets also include lease assets with a term greater than one year. The School District does not implement a capitalization threshold for lease assets. Lease assets are amortized on a straight-line basis over the term of the lease.

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

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.

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 2023 by recording \$5,015,333, which is its share of insurance premiums for current enrolled retirees, as an expenditure in 2023.

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

Other Postemployment Benefits (Continued)

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 total other postemployment benefits totaling \$146,534,228 as of June 30, 2023. The financial disclosures relating to the School District's other post-employment benefits are reflected in Note 12.

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, 2023.

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 \$1,341,578. As of June 30, 2023, the School District's encumbrances were classified as follows:

General support	\$ 553,230
Instruction	778,754
Pupil transportation	<u>9,594</u>
Total encumbrances	<u>\$ 1,341,578</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 AND CASH EQUIVALENTS

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 participates in NYLAF, a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law, whereby it holds a portion of the investments in cooperation with other participants. At June 30, 2023, the School District held \$47,200,861 in NYLAF consisting of various investments in securities issued by the United States and its agencies. NYLAF is rated 'AAAm' from Standard & Poor's Global Ratings. Amounts held with NYLAF are highly liquid, and the amount held represents the amortized cost of the investment pool shares, which are considered to approximate fair value. Due to the highly liquid nature of these investments, they are classified as cash equivalents in the financial statements. Additional information concerning NYLAF, including the annual report, can be found on its website at www.nylaf.org.

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	\$ 28,792,296	\$ 25,873,547
Cash equivalents	<u>47,200,861</u>	<u>26,361,465</u>
	<u>\$ 75,993,157</u>	<u>\$ 52,235,012</u>
Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name	\$ 28,292,296	
Covered by FDIC insurance	<u>500,000</u>	
Total	<u>\$ 28,792,296</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	\$ 1,023,509	
Retirement contributions	6,360,387	
Employee benefits accrued liabilities	2,114,936	
Capital projects	10,365,296	
Tax certiorari	2,656,576	
Debt	9,573,926	
Unemployment	<u>43,381</u>	\$ 32,138,011

Capital Projects Fund:

Capital projects	<u>8,012,645</u>	8,012,645
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Miscellaneous Special Revenue Fund:

Extraclassroom activity fund	293,242	
Scholarships	<u>71,343</u>	<u>364,585</u>

Total Restricted Cash		<u>\$ 40,515,241</u>
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5. PARTICIPATION IN BOCES

During the year, the School District was billed \$5,062,191 for BOCES administrative and program costs. The School District's share of BOCES aid amounted to \$2,317,291.

6. CAPITAL ASSETS, NET

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

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 700,705	\$ -	\$ -	\$ 700,705
Construction in progress	104,046,939	1,619,797	80,135,528	25,531,208
Total non-depreciable cost	104,747,644	1,619,797	80,135,528	26,231,913
Capital assets that are depreciated:				
Land improvements	1,885,427	-	-	1,885,427
Buildings	111,683,247	80,177,513	-	191,860,760
Furniture and equipment	11,024,043	252,067	4,800,743	6,475,367
Vehicles	10,087,336	-	131,491	9,955,845
Total depreciable historical cost	134,680,053	80,429,580	4,932,234	210,177,399
Less accumulated depreciation:				
Land improvements	1,478,850	53,946	-	1,532,796
Buildings	59,679,164	3,007,300	-	62,686,464
Furniture and equipment	9,004,008	338,226	4,781,612	4,560,622
Vehicles	5,808,465	773,595	131,491	6,450,569
Total accumulated depreciation	75,970,487	4,173,067	4,913,103	75,230,451
Total depreciable cost, net	58,709,566	76,256,513	19,131	134,946,948
Lease assets being amortized:				
Equipment	633,664	933,479	177,447	1,389,696
Total lease assets being amortized	633,664	933,479	177,447	1,389,696
Less accumulated amortization:				
Equipment	198,708	385,404	177,447	406,665
Total accumulated amortization	198,708	385,404	177,447	406,665
Total lease assets being amortized, net	434,956	548,075	-	983,031
Total governmental activities capital assets, net	\$ 163,892,166	\$ 78,424,385	\$ 80,154,659	\$ 162,161,892

6. CAPITAL ASSETS, NET (Continued)

Depreciation and amortization expense for the year ended June 30, 2023, was allocated to specific functions as follows:

	<u>Depreciation</u>	<u>Amortization</u>
Instruction	\$ 3,209,108	\$ 385,404
Pupil transportation	775,131	-
General support	176,473	-
School lunch program	12,355	-
	<hr/>	<hr/>
Total	<u>\$ 4,173,067</u>	<u>\$ 385,404</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, 2023, 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 - 1.00%, Matures 07/15/2023	\$ 26,835,000	\$ -	\$ 26,835,000	\$ -
Bond Anticipation Note - 3.75%, Matures 07/14/2023	<u>-</u>	<u>26,100,000</u>	<u>-</u>	<u>26,100,000</u>
	<u>\$ 26,835,000</u>	<u>\$ 26,100,000</u>	<u>\$ 26,835,000</u>	<u>\$ 26,100,000</u>

8. LONG-TERM DEBT

Interest on debt for the year was composed of:

Interest paid - long-term debt	\$ 1,475,713
Interest paid - short-term debt	268,350
Interest paid - leases	2,753
Less: Interest accrued in the prior year	(959,628)
Amortization of bond premium	(78,003)
Plus: Interest accrued in the current year	<u>1,630,909</u>
 Total expense	 <u>\$ 2,340,094</u>

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

	July 01, 2022			June 30, 2023	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	\$ 76,320,000	\$ 24,615,000	\$ 5,980,000	\$ 94,955,000	\$ 3,675,000
Unamortized premium on obligations	<u>1,422,356</u>	<u>3,423,245</u>	<u>78,003</u>	<u>4,767,598</u>	<u>-</u>
Total bonds and notes payable	<u>77,742,356</u>	<u>28,038,245</u>	<u>6,058,003</u>	<u>99,722,598</u>	<u>3,675,000</u>
Other long-term liabilities:					
Workers compensation	1,024,335	-	824	1,023,511	-
Judgments and claims	250,025	7,448	-	257,473	-
Compensated absences	4,061,902	352,355 (A)	-	4,414,257	-
Net pension liability - ERS	-	10,675,126 (A)	-	10,675,126	-
Net pension liability - TRS	-	5,945,036 (A)	-	5,945,036	-
Total other postemployment benefits	<u>151,549,561</u>	<u>11,685,799</u>	<u>16,701,132</u>	<u>146,534,228</u>	<u>-</u>
Total other long-term liabilities	<u>156,885,823</u>	<u>28,665,764</u>	<u>16,701,956</u>	<u>168,849,631</u>	<u>-</u>
 Total long-term liabilities	 <u>\$ 234,628,179</u>	 <u>\$ 56,704,009</u>	 <u>\$ 22,759,959</u>	 <u>\$ 268,572,229</u>	 <u>\$ 3,675,000</u>

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

In June 2023, the School District issued \$24,615,000 in serial bonds. The proceeds of the bond, including a bond premium of \$3,423,245, will be used to partially redeem the \$26,100,000 BAN outstanding at June 30, 2023. The remaining proceeds provided \$2,300,000 of new money for additional capital projects and paid bond issuance costs.

\$25,390,000 of this bond issue, along with \$710,000 of available district funds, will be used to redeem the \$26,100,000 BAN outstanding at June 30, 2023, upon BAN maturity on July 14, 2023. Upon closing on June 15, 2023, the \$2,300,000 of new money was deposited into the School District's capital projects fund cash account. Since the BAN being redeemed does not mature until July 14, 2023, the portion of bond proceeds to be used to redeem the outstanding BAN is classified as cash held with fiscal agent.

8. LONG-TERM DEBT (Continued)

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>	<u>June 30, 2023 Balance</u>
District-wide renovations	2021	2041	2.00%-2.125%	\$ 70,340,000
District-wide renovations	2023	2036	5.00%	24,615,000
				<u>\$ 94,955,000</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 3,675,000	\$ 2,356,925	\$ 6,031,925
2025	5,200,000	2,499,413	7,699,413
2026	5,340,000	2,349,463	7,689,463
2027	5,500,000	2,194,263	7,694,263
2028	5,660,000	2,033,463	7,693,463
2029-2033	30,940,000	7,542,063	38,482,063
2034-2038	27,820,000	2,840,188	30,660,188
2039-2041	10,820,000	345,975	11,165,975
Totals	<u>\$ 94,955,000</u>	<u>\$ 22,161,750</u>	<u>\$117,116,750</u>

9. LEASES

The School District leases various copiers and equipment, primarily with Capital Region Board of Cooperative Educational Services.

Activity of lease liabilities for the year ended June 30, 2023 is summarized as follows:

<u>Beginning Balance</u>	<u>Additions</u>	<u>Subtractions</u>	<u>Ending Balance</u>
\$ -	\$ 933,479	\$ 933,479	\$ -

10. 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	
	Receivable	Payable	Revenue	Expenditures
General fund	\$ 5,925,408	\$ -	\$ -	\$ 437,572
Capital projects fund	-	3,423,245	-	-
Special aid fund	4,550	2,593,041	277,126	-
School lunch fund	79,403	-	160,446	-
Miscellaneous special revenue fund	6,925	-	-	-
Totals	<u>\$ 6,016,286</u>	<u>\$ 6,016,286</u>	<u>\$ 437,572</u>	<u>\$ 437,572</u>

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

11. 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.

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.

11. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

Contributions

Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

2023	\$ 2,099,793
2022	\$ 1,690,647
2021	\$ 2,173,167

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

At June 30, 2023, the School District reported a net pension liability of \$10,675,126 for its proportionate share of the ERS net pension liability. The net pension liability was measured as of March 31, 2023, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of April 1, 2022. 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, 2023, the School District's proportion was 0.0497813%, which was an increase of .0056197% from its proportion measured at June 30, 2022.

For the year ended June 30, 2023, the School District recognized pension expense of \$4,017,059. At June 30, 2023, 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	\$ 1,136,984	\$ 299,798
Changes of Assumptions	5,184,530	57,299
Net difference between projected and actual earnings on pension plan investments	-	62,716
Changes in proportion and differences between the District's contributions and proportionate share of contributions	797,009	78,778
Contributions subsequent to the measurement date	590,488	-
Total	<u>\$ 7,709,011</u>	<u>\$ 498,591</u>

The School District recognized \$590,488 as deferral outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2023 which will be recognized on a reduction of the net pension liability in the year ending June 30, 2024.

11. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

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

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,		
2024	\$	1,683,637
2025		(366,906)
2026		2,306,632
2027		2,996,569
2028		-
Thereafter		-
	\$	<u>6,619,932</u>

Actuarial Assumptions

The total pension asset at March 31, 2023 was determined by using an actuarial valuation as of April 1, 2022, with update procedures used to roll forward the total pension asset to March 31, 2023. The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.90%
Salary scale	4.40%
Projected COLAs	1.50%
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-2021
Investment Rate of Return	5.9% compounded annually, net of investment expenses

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.

11. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

Actuarial Assumptions (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the target allocation as of March 31, 2023 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of term</u>
Domestic Equity	32.0%	4.30%
International Equity	15.0%	6.85%
Private Equity	10.0%	7.50%
Real Estate	9.0%	4.60%
Opportunistic/ARS Portfolio	3.0%	5.38%
Credit	4.0%	5.43%
Reals Assets	3.0%	5.84%
Fixed Income	23.0%	1.50%
Cash	1.0%	0.00%
	<u>100%</u>	

Discount Rate

The discount rate used to calculate the total pension asset 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.

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 asset 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:

	<u>1% Decrease (4.9%)</u>	<u>Current Discount (5.9%)</u>	<u>1% Increase (6.9%)</u>
Employer's Proportionate Share of Net Pension Liability (Asset)	\$ 25,797,202	\$ 10,675,126	\$ (1,961,127)

11. PENSION PLANS (Continued)

New York State Employees' Retirement System (Continued)

Pension Plan Fiduciary Net Position

The components of the current-year net pension asset of the employers as of March 31, 2023, was as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	\$ 232,627,259
Net position	211,183,223
Net pension liability (asset)	\$ 21,444,036
ERS net position as a percentage of total pension liability	90.78%

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.

11. 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:

2023	\$ 5,887,219
2022	\$ 5,378,762
2021	\$ 4,825,307

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

At June 30, 2023, the School District reported a liability of \$5,945,036 for its proportionate share of the NYSTRS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of June 30, 2021. 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, 2023, the School District's proportion was 0.309816%, which was an increase of .011506% from its proportion measured at June 30, 2022.

For the year ended June 30, 2023, the School District recognized pension revenue of \$7,182,353. At June 30, 2023 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	\$ 6,229,645	\$ 119,128
Changes of Assumptions	11,532,364	2,394,829
Net difference between projected and actual earnings on pension plan investments	7,681,550	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	29,487	1,129,859
Contributions subsequent to the measurement date	5,887,219	-
Total	<u>\$ 31,360,265</u>	<u>\$ 3,643,816</u>

The School District recognized \$5,887,219 as a deferred outflow of resources related to pensions resulting from the School District's contributions subsequent to the measurement date of June 30, 2022, which will be recognized as a reduction of the net pension liability in the year ending June 30, 2024.

11. 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,	
2023	\$ 4,170,336
2024	2,035,877
2025	(1,197,487)
2026	14,971,740
2027	1,822,827
Thereafter	25,937
	<u>\$ 21,829,230</u>

Actuarial Assumptions

The total pension asset at the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension asset to June 30, 2022. These actuarial valuations used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.40%
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	5.18%
15	3.64%
25	2.50%
35	1.95%

Projected COLAs	1.30% compounded annually
Investment Rate of Return	6.95% 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-2021 applied on a generational basis.

The actuarial assumptions used in the June 30, 2022 valuation was based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020.

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

11. 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, 2022 (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%	6.5%
International Equity	16.0%	7.2%
Global Equity	4.0%	6.9%
Real Estate Equity	11.0%	6.2%
Private Equity	8.0%	9.9%
Domestic Fixed Income	16.0%	1.1%
Global Bonds	2.0%	0.6%
High-Yield Bonds	1.0%	3.3%
Private Debt	2.0%	5.3%
Real Estate Debt	6.0%	2.4%
Cash Equivalents	1.0%	-0.3%
	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension asset was 6.95%. 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 6.95%, 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 (5.95%) or 1-percentage-point higher (7.95%) than the current rate:

	<u>1% Decrease (5.95%)</u>	<u>Current Discount (6.95%)</u>	<u>1% Increase (7.95%)</u>
Employer's Proportionate Share of Net Pension Liability (Asset)	\$ 54,816,018	\$ 5,945,036	\$ (35,155,140)

11. 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, 2022, were as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	\$ 133,883,473,797
Net position	131,964,582,107
Net pension liability (asset)	<u>\$ 1,918,891,690</u>
TRS net position as a percentage of total pension liability	98.57%

12. 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, 2023, the following employees were covered by the benefit terms:

Inactive members or beneficiaries	
currently receiving benefits	439
Inactive members entitled to but not yet	
receiving benefits	-
Active members	<u>1,044</u>
Total participants	<u>1,483</u>

Total OPEB Liability

The School District's total OPEB liability of \$146,534,228 was measured as of June 30, 2023, and was determined by an actuarial valuation as of January 1, 2022.

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.70%
Payroll Growth	Vary by pension retirement system membership (New York State Teachers Retirement System (TRS) or Employees Retirement System (ERS))
Discount Rate	4.13%
Healthcare Cost Trend Rates	
Medical/Prescription Drug	6.80% from 2023 to 2024, decreasing gradually to an ultimate rate of 4.14% by 2076
Part B Reimbursement	6.00% from 2023 to 2024, followed by projected Part B premium increase shown in the 2020 Medicare Trustees report, decreasing gradually to an ultimate rate of 4.14% by 2076

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

Mortality rates were based on Pub-2010 Headcount-Weighted table (Teachers for TRS group and General Employees for ERS group) projected fully generationally using MP-2020.

Changes in the Total OPEB Liability

Balance at July 1, 2022	<u>\$151,549,561</u>
Changes for the Year	
Service cost	6,159,457
Interest	5,526,342
Change in benefit terms	-
Difference between expected and actual experience	(5,922,629)
Changes of assumptions or other inputs	(7,555,174)
Benefit payments	<u>(3,223,329)</u>
Net changes	<u>(5,015,333)</u>
Balance at June 30, 2023	<u>\$146,534,228</u>

12. 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 (3.13%) or 1 percentage point higher (5.13%) than the current discount rate:

	1% Decrease (3.13%)	Current Discount (4.13%)	1% Increase (5.13%)
Total OPEB Liability	<u>\$ 178,669,810</u>	<u>\$ 146,534,228</u>	<u>\$ 128,982,809</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>\$ 124,622,981</u>	<u>\$ 146,534,228</u>	<u>\$ 185,680,231</u>

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

For the year ended June 30, 2023, the School District recognized OPEB expense of \$7,549,001. At June 30, 2023, 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	\$ -	\$ 19,080,069
Changes of assumptions or other inputs	<u>33,664,677</u>	<u>41,550,548</u>
Total	<u>\$ 33,664,677</u>	<u>\$ 60,630,617</u>

12. 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>
2024	\$ (3,879,101)
2025	(1,794,118)
2026	(1,794,122)
2027	(2,642,758)
2028	(2,642,762)
Thereafter	<u>(14,213,079)</u>
	<u>\$ (26,965,940)</u>

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.

The 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, 2023 was approximately \$710,000.

PILOT revenue recognized during the year was approximately \$335,000.

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.

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.

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, 2023 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.

The following represents changes in those aggregate liabilities for the District during 2023:

	<u>2023</u>	<u>2022</u>
Unpaid claims and claim adjustment expenses - beginning of year	\$ 1,024,335	\$ 1,302,323
Incurred claims and claim adjustment expenses:		
Provision for incurred claims expenses for events of the current year	345,510	169,054
Increase (decrease) in provision for incurred events of prior years	<u>(98,411)</u>	<u>(158,384)</u>
Total incurred claims and claim adjustment expenses	<u>247,099</u>	<u>10,670</u>
Payments made for claims during the current year	<u>(247,923)</u>	<u>(288,658)</u>
Total unpaid claims and claim adjustment expenses - end of year	<u>\$ 1,023,511</u>	<u>\$ 1,024,335</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. SUBSEQUENT EVENT

The \$26,100,000 BANs outstanding as of June 30, 2023, matured on July 14, 2023. These BANs were redeemed using \$25,390,000 of the June 2023 bond issue, which is classified as cash with fiscal agent at June 30, 2023, and \$710,000 of available school district funds.

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, 2023**

REVENUE	Original Budget	Final Budget	Actual (Budgetary Basis)	Encumbrances	Final Budget Variance with Budgetary Actual
LOCAL SOURCES:					
Real property taxes	\$ 90,727,887	\$ 87,001,178	\$ 86,945,168	\$ -	\$ (56,010)
Other tax items	333,226	4,059,935	4,061,562	-	1,627
Charges for services	2,382,200	2,382,200	3,329,850	-	947,650
Use of money and property	318,000	318,000	2,144,159	-	1,826,159
Sale of property and compensation for loss	123,000	123,000	59,895	-	(63,105)
Miscellaneous	290,000	290,000	477,292	-	187,292
Total local sources	94,174,313	94,174,313	97,017,926	-	2,843,613
State sources	36,415,334	36,415,334	37,394,467	-	979,133
Federal sources	150,000	150,000	171,232	-	21,232
Total revenue	130,739,647	130,739,647	134,583,625	-	3,843,978
OTHER FINANCING SOURCES					
Proceeds from issuance of debt	-	-	3,423,245	-	3,423,245
Proceeds from issuance of leases	-	-	933,479	-	933,479
Total other sources	-	-	4,356,724	-	4,356,724
Total revenue and other financing sources	130,739,647	130,739,647	138,940,349	-	8,200,702

(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, 2023

	Original Budget	Final Budget	Actual (Budgetary Basis)	Encumbrances	Variance with Budgetary Actual and Encumbrances
EXPENDITURES					
GENERAL SUPPORT:					
Board of education	\$ 77,820	\$ 111,849	\$ 105,243	\$ 300	\$ 6,306
Central administration	637,202	593,560	576,132	2,019	15,409
Finance	1,017,756	1,049,901	1,023,054	1,181	25,666
Staff	930,516	978,656	749,792	16,478	212,386
Central services	9,886,263	10,559,794	9,405,862	533,252	620,680
Special items	1,051,936	1,062,654	979,814	-	82,840
Total general support	<u>13,601,493</u>	<u>14,356,414</u>	<u>12,839,897</u>	<u>553,230</u>	<u>963,287</u>
INSTRUCTION:					
Instruction, administration, and improvement	8,257,862	9,217,829	8,980,814	9,578	227,437
Teaching - Regular school	39,119,884	40,289,418	39,249,089	244,708	795,621
Programs for children with handicapping conditions	12,669,519	12,177,394	11,422,537	-	754,857
Teaching - Special school	361,055	194,066	183,351	307	10,408
Instructional media	3,356,990	4,095,684	3,262,988	494,604	338,092
Pupil services	7,075,807	7,380,934	6,965,181	29,557	386,196
Total instruction	<u>70,841,117</u>	<u>73,355,325</u>	<u>70,063,960</u>	<u>778,754</u>	<u>2,512,611</u>
Pupil transportation	6,424,438	6,452,558	5,965,393	9,594	477,571
Employee benefits	35,218,247	32,610,096	29,228,741	-	3,381,355
Debt service - principal	6,440,000	6,715,000	7,651,233	-	(936,233)
Debt service - interest	2,019,352	1,744,352	1,744,063	-	289
Total expenditures	<u>134,544,647</u>	<u>135,233,745</u>	<u>127,493,287</u>	<u>1,341,578</u>	<u>6,398,880</u>
OTHER FINANCING USES					
Transfers to other funds	<u>325,000</u>	<u>437,572</u>	<u>437,572</u>	<u>-</u>	<u>-</u>
Total other financing uses	<u>325,000</u>	<u>437,572</u>	<u>437,572</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses	<u>134,869,647</u>	<u>135,671,317</u>	<u>127,930,859</u>	<u>1,341,578</u>	<u>6,398,880</u>
NET CHANGE IN FUND BALANCE	(4,130,000)	(4,931,670)	11,009,490	(1,341,578)	14,599,582
FUND BALANCE - beginning of year	<u>33,574,921</u>	<u>33,574,921</u>	<u>33,574,921</u>	<u>-</u>	<u>-</u>
FUND BALANCE - end of year	<u>\$ 29,444,921</u>	<u>\$ 28,643,251</u>	<u>\$ 44,584,411</u>	<u>\$ (1,341,578)</u>	<u>\$ 14,599,582</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, 2023

	Last 10 Plan Fiscal Years (Dollar amounts displayed in thousands)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN										
Proportion of the net pension liability (asset)	0.0497813%	0.0441616%	0.0455402%	0.0451017%	0.0449804%	0.0467620%	0.0493700%	0.0516956%	0.0507812%	
Proportionate share of the net pension liability (asset)	\$ 10,675	\$ (3,610)	\$ 45	\$ 11,943	\$ 3,187	\$ 1,509	\$ 4,639	\$ 8,297	\$ 1,716	
Covered-employee payroll	\$ 17,174	\$ 13,361	\$ 15,564	\$ 15,223	\$ 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	62.16%	-23.50%	0.29%	78.44%	20.87%	10.10%	31.63%	56.38%	11.94%	
Plan fiduciary net position as a percentage of the total pension liability (asset)	90.78%	103.65%	99.95%	86.39%	96.27%	96.24%	94.70%	90.68%	97.95%	

Note: 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)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	
NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN										
Proportion of the net pension liability (asset)	0.308816%	0.298310%	0.286734%	0.294019%	0.284816%	0.280479%	0.283163%	0.283157%	0.281151%	
Proportionate share of the net pension liability (asset)	\$ 5,945	\$ (51,694)	\$ 8,200	\$ (7,639)	\$ (5,150)	\$ (2,132)	\$ 3,033	\$ 29,411	\$ 31,318	
Covered-employee payroll	\$ 57,213	\$ 54,885	\$ 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	10.39%	-94.19%	16.20%	-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)	98.57%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%	

Note: 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, 2023**

	Last 10 Plan Fiscal Years (Dollar amounts displayed in thousands)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN										
Contractually required contribution	\$ 2,100	\$ 1,691	\$ 2,173	\$ 2,186	\$ 2,122	\$ 2,160	\$ 2,205	\$ 2,660	\$ 2,781	
Contributions in relation to the contractually required contribution	2,100	1,691	2,173	2,186	2,122	2,160	2,205	2,660	2,781	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Covered-employee payroll	\$ 17,174	\$ 15,361	\$ 15,564	\$ 15,225	\$ 15,268	\$ 14,946	\$ 14,573	\$ 14,718	\$ 14,365	
Contributions as a percentage of covered-employee payroll	12.23%	11.01%	13.96%	14.36%	13.90%	14.45%	15.13%	18.07%	19.36%	

Note: 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)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	
NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN										
Contractually required contribution	\$ 5,887	\$ 5,379	\$ 4,825	\$ 5,212	\$ 4,547	\$ 5,209	\$ 5,794	\$ 7,456	\$ 6,749	
Contributions in relation to the contractually required contribution	5,887	5,379	4,825	5,212	4,547	5,209	5,794	7,456	6,749	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Covered-employee payroll	\$ 57,213	\$ 54,885	\$ 50,633	\$ 50,365	\$ 49,576	\$ 46,372	\$ 45,295	\$ 42,534	\$ 41,530	
Contributions as a percentage of covered-employee payroll	10.29%	9.80%	9.53%	10.35%	9.17%	11.23%	12.79%	17.53%	16.25%	

Note: 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, 2023**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Last 10 Fiscal Years (Dollar amounts displayed in thousands)										
Total OPEB Liability	\$ 6,159,457	\$ 8,941,062	\$ 9,547,384	\$ 6,678,614	\$ 6,681,773	\$ 6,432,823				
Service cost	5,526,342	4,138,890	4,069,763	4,998,530	4,905,782	4,743,137				
Interest	-	-	-	(4,238,775)	-	-				
Change in benefit terms	(5,922,629)	(341,035)	(13,708,908)	(3,479,392)	(6,399,771)	-				
Difference between expected and actual experience	(7,555,174)	(42,207,342)	11,321,299	38,108,364	13,188,887	(16,141,063)				
Changes in assumptions and other inputs	(3,223,329)	(3,294,887)	(3,026,395)	(3,345,660)	(2,122,353)	(2,082,479)				
Benefit payments	(5,015,333)	(32,763,312)	8,203,143	38,721,681	16,254,318	(7,047,582)				
Total change in total OPEB liability	<u>151,549,561</u>	<u>184,312,873</u>	<u>176,109,730</u>	<u>137,388,049</u>	<u>121,133,731</u>	<u>128,181,313</u>				
Total OPEB liability - beginning	<u>\$ 146,534,228</u>	<u>\$ 151,549,561</u>	<u>\$ 184,312,873</u>	<u>\$ 176,109,730</u>	<u>\$ 137,388,049</u>	<u>\$ 121,133,731</u>				
Total OPEB liability - ending	\$ 76,987,758	\$ 67,307,561	\$ 60,579,875	\$ 61,532,625	\$ 60,538,298	\$ 61,443,643				
Covered-employee payroll										
Total OPEB liability as a percentage of covered-employee payroll	190.3%	225.2%	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	4.13%	3.54%	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

NORTH COLONIE CENTRAL SCHOOL DISTRICT

**SCHEDULE OF COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Special Aid	School Lunch	Miscellaneous Special Revenue	Total Non-Major Governmental Funds
ASSETS				
Cash and cash equivalents - unrestricted	\$ -	\$ 1,794,334	\$ -	\$ 1,794,334
Cash and cash equivalents - restricted	-	-	364,585	364,585
Accounts receivable	-	1,783	-	1,783
Due from other funds	4,550	79,403	6,925	90,878
State and federal aid receivable	2,746,378	109,731	-	2,856,109
Inventory	-	154,778	-	154,778
TOTAL ASSETS	\$ 2,750,928	\$ 2,140,029	\$ 371,510	\$ 5,262,467
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE				
LIABILITIES:				
Accounts payable	\$ 151,647	\$ 31,041	\$ -	\$ 182,688
Accrued liabilities	267	7,182	-	7,449
Unearned revenue	5,973	251,195	-	257,168
Due to other funds	2,593,041	-	-	2,593,041
TOTAL LIABILITIES	2,750,928	289,418	-	3,040,346
FUND BALANCE:				
Nonspendable:				
Inventory	-	154,778	-	154,778
Total nonspendable fund balance	-	154,778	-	154,778
Restricted:				
Other - extraclassroom activity funds and scholarships	-	-	371,510	371,510
Total restricted fund balance	-	-	371,510	371,510
Assigned:				
Other	-	1,695,833	-	1,695,833
TOTAL FUND BALANCE	-	1,850,611	371,510	2,222,121
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 2,750,928	\$ 2,140,029	\$ 371,510	\$ 5,262,467

NORTH COLONIE CENTRAL SCHOOL DISTRICT

**SCHEDULE OF COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTA
FOR THE YEAR ENDED JUNE 30, 2023**

	Special Aid	School Lunch	Miscellaneous Special Revenue	Total Non-Major Governmental Funds
REVENUE:				
Use of money and property	\$ -	\$ -	\$ 220	\$ 220
Miscellaneous	10,639	304	514,121	525,064
State sources	691,348	42,396	-	733,744
Federal sources	6,133,814	1,545,746	-	7,679,560
Sales - School lunch	-	1,278,481	-	1,278,481
Total revenue	<u>6,835,801</u>	<u>2,866,927</u>	<u>514,341</u>	<u>10,217,069</u>
EXPENDITURES:				
General support	195,799	-	435,207	631,006
Instruction	6,465,423	-	-	6,465,423
Pupil transportation	149,238	-	-	149,238
Employee benefits	302,467	422,318	-	724,785
Cost of sales	-	2,785,662	-	2,785,662
Total expenditures	<u>7,112,927</u>	<u>3,207,980</u>	<u>435,207</u>	<u>10,756,114</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(277,126)</u>	<u>(341,053)</u>	<u>79,134</u>	<u>(539,045)</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers in	277,126	160,446	-	437,572
Total other financing sources (uses)	<u>277,126</u>	<u>160,446</u>	<u>-</u>	<u>437,572</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>-</u>	<u>(180,607)</u>	<u>79,134</u>	<u>(101,473)</u>
FUND BALANCE - beginning of year	<u>-</u>	<u>2,031,218</u>	<u>292,376</u>	<u>2,323,594</u>
FUND BALANCE - end of year	<u>\$ -</u>	<u>\$ 1,850,611</u>	<u>\$ 371,510</u>	<u>\$ 2,222,121</u>

OTHER 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, 2023**

CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET

Adopted budget	\$ 134,869,647
Add: Prior year's encumbrances	<u>801,670</u>
Original budget	135,671,317
Budget revisions	<u>-</u>
Final budget	<u>\$ 135,671,317</u>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2023-24 voter-approved expenditure budget	\$ 146,986,870	
Maximum allowed (4% of 2023-24 budget)		<u>\$ 5,879,475</u>

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

Unrestricted fund balance:	
Assigned fund balance	\$ 4,941,578
Unassigned fund balance	<u>7,494,822</u>
	<u>12,436,400</u>

Less:

Appropriated fund balance	3,600,000
Encumbrances included in assigned fund balance	<u>1,341,578</u>
Total adjustments	<u>4,941,578</u>

General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u>\$ 7,494,822</u>
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Actual percentage	5.10%
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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, 2023

PROJECT NUMBER	PROJECT TITLE	Original Appropriation	Revised Appropriation	Prior Years	Expenditures		Unexpended Balance	Methods of Financing		Proceeds of Obligations	State Aid	Local Sources	Total	Fund Balance June 30, 2023
					Current Year	Total		State Aid	Local Sources					
0005-007	Blue Creek	172,833	2,141,194	2,042,226	\$ (7,526)	\$ 2,034,700	\$ 106,494	\$ -	\$ -	\$ -	\$ -	\$ 129,208	\$ (2,034,700)	
0005-008	Blue Creek	150,000	150,000	129,208	-	129,208	20,792	-	-	-	-	129,208	-	
0005-009	Blue Creek	49,828	71,441	49,828	-	71,441	(21,613)	-	-	-	-	49,828	(21,613)	
0004-008	Loudonville	420	197,164	2,860,612	39,878	2,930,490	(2,733,326)	2,812,339	-	-	-	2,812,339	(18,151)	
0004-009	Loudonville	4,121	50,000	70,000	-	70,000	(20,000)	-	-	-	-	50,000	(20,000)	
0004-010	Loudonville	439,603	439,603	260,143	-	260,143	179,460	-	-	-	-	179,460	-	
0005-010	Shaker High School	1,240,000	685,150	1,566,332	-	1,566,332	(81,182)	-	-	-	-	439,603	1,566,332	
0005-011	Shaker High School	983,546	1,842,818	7,230,170	128,232	7,358,402	(5,515,584)	7,230,170	-	-	-	7,230,170	(128,232)	
0005-012	Shaker High School	945,000	945,000	319,030	-	319,030	625,970	-	-	-	-	319,030	-	
0005-013	Shaker High School	23,489	23,489	265,954	-	265,954	(242,465)	-	-	-	-	265,954	-	
0005-014	Shaker High School	1,992,512	9,321,203	11,251,521	-	11,251,521	(1,930,318)	11,251,521	-	-	-	11,251,521	19,046	
0005-015	Shaker High School	-	4,285	-	-	-	4,285	-	-	-	-	-	-	
0005-016	Shaker High School	84,848	84,848	252,694	-	252,694	(167,846)	-	-	-	-	84,848	(167,846)	
0005-017	Shaker High School	-	110,475	818,546	818,546	818,546	(708,071)	-	-	-	-	818,546	(818,546)	
0005-018	Shaker High School	636,526	4,744,382	5,408,206	(1,248)	5,406,958	(662,576)	1,827,551	-	-	-	1,827,551	(3,579,407)	
0005-006	Southgate	100,000	100,000	67,455	-	67,455	32,545	-	-	-	-	67,455	-	
0005-008	Southgate	30,907	30,907	265,119	-	265,119	(234,212)	-	-	-	-	265,119	-	
0005-009	Southgate	48,076	48,076	62,642	-	62,642	(14,566)	-	-	-	-	48,076	-	
0007-004	Southgate	1,167,595	5,206,530	5,043,080	(596)	5,042,484	164,046	-	-	-	-	164,046	-	
0007-005	Boght Hills	290,000	290,000	240,541	-	240,541	49,459	-	-	-	-	240,541	-	
0007-006	Boght Hills	12,775	12,775	140,341	-	140,341	(127,566)	-	-	-	-	140,341	-	
0007-007	Boght Hills	40,200	40,200	50,534	-	50,534	(10,334)	-	-	-	-	40,200	-	
0008-006	Fort's Ferry	420	434,643	4,309,804	80,396	4,309,804	(3,875,161)	-	-	-	-	4,309,804	(4,309,804)	
0008-007	Fort's Ferry	75,000	75,000	225,870	-	225,870	(150,870)	-	-	-	-	225,870	-	
0008-008	Fort's Ferry	21,016	21,016	276,744	-	276,744	(257,728)	-	-	-	-	276,744	-	
0008-009	Fort's Ferry	234,844	234,844	84,788	-	84,788	150,046	-	-	-	-	150,046	-	
0009-006	Shaker Junior High	13,646,400	51,884,913	56,390,484	51,360	56,441,854	(4,556,941)	52,645,970	-	-	-	52,645,970	(23,744)	
0009-007	Shaker Junior High	40,000	40,000	18,884	-	18,884	21,116	-	-	-	-	21,116	-	
0009-008	Shaker Junior High	33,791	33,791	46,482	-	46,482	(12,691)	-	-	-	-	46,482	-	
0009-009	Shaker Junior High	352,116	352,116	352,116	-	352,116	(336,377)	-	-	-	-	352,116	-	
0009-011	Shaker Junior High	74,619	74,619	53,334	-	53,334	21,285	-	-	-	-	53,334	-	
0009-012	Shaker Junior High	-	324,425	154,389	-	154,389	170,036	-	-	-	-	170,036	-	
0011-006	Latham Ridge	420	282,394	98,568	154,389	4,040,727	(4,040,727)	-	-	-	-	4,040,727	-	
0011-007	Latham Ridge	15,000	15,000	3,917	-	3,917	11,083	-	-	-	-	3,917	-	
0011-008	Latham Ridge	131,456	131,456	1,002,038	-	1,002,038	(870,582)	-	-	-	-	1,002,038	-	
0011-009	Latham Ridge	57,453	57,453	59,218	-	59,218	(1,765)	-	-	-	-	57,453	-	
0030-002	Maplewood Emergency 2019	-	-	64,037	-	64,037	(64,037)	-	-	-	-	64,037	-	
1002-002	Goodrich	20,604	250,000	528,755	-	528,755	(278,755)	-	-	-	-	250,000	(278,755)	
1002-003	Goodrich	52,736	52,736	96,058	-	96,058	(43,322)	-	-	-	-	96,058	-	
1002-004	Goodrich	43,776	43,776	34,929	(4,256)	39,185	8,847	-	-	-	-	43,776	-	
2034-001	Storage Building	2,819	219,922	231,828	350	232,178	(12,256)	-	-	-	-	232,178	-	
5015-004	Bus Garage	33,201	419,852	608,292	964	609,256	(189,404)	-	-	-	-	609,256	-	
5015-005	Bus Garage	500,000	500,000	470,033	-	470,033	29,967	-	-	-	-	29,967	-	
5015-006	Bus Garage	6,181	6,181	328,680	-	328,680	(322,499)	-	-	-	-	328,680	-	
5015-008	Bus Garage	96,753	96,753	108,164	-	108,164	(11,411)	-	-	-	-	108,164	-	
7033-001	Pressbox	249,817	487,575	358,215	1,060	359,275	(139,360)	-	-	-	-	359,275	-	
7033-002	Concession Building	48,624	968,289	1,093,942	1,533	1,095,475	(606,547)	-	-	-	-	968,289	-	
7037-001	Boys Dugout	3,933	46,643	54,742	94	54,836	(8,193)	-	-	-	-	54,836	-	
7037-002	Boys Dugout	3,933	46,643	54,742	94	54,836	(8,193)	-	-	-	-	54,836	-	
7999-001	District Wide Telephone	2,063	12,018	417,474	-	417,474	(405,456)	-	-	-	-	417,474	-	
7999-002	District Wide SSB	447,703	447,703	536,067	-	536,067	(88,364)	-	-	-	-	447,703	-	
7999-EA1	District Wide SSB	356,211	356,211	765,453	-	765,453	(407,242)	-	-	-	-	765,453	-	
Various	District Wide Construction	-	-	348,245	-	348,245	(348,245)	25,660,655	-	-	-	25,660,655	25,330,107	
		\$ 24,613,042	\$ 84,109,532	\$ 110,311,712	\$ 1,710,083	\$ 112,021,795	\$ (27,912,263)	\$ 101,427,606	\$ -	\$ -	\$ -	\$ 13,693,304	\$ 115,120,910	\$ 3,099,115

NORTH COLONIE CENTRAL SCHOOL DISTRICT

**SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2023**

Capital assets, net		\$ 162,161,892
Deduct:		
Bond anticipation notes	26,100,000	
Short-term portion of bonds payable	3,675,000	
Long-term portion of bonds payable	<u>96,047,598</u>	125,822,598
Add:		
Unspent BAN proceeds	8,012,645	
Cash with fiscal agent	<u>25,390,000</u>	<u>33,402,645</u>
Net investment in capital assets		<u>\$ 69,741,939</u>

See the independent auditor's report.

REQUIRED REPORT 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 26, 2023

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, each major fund, and the aggregate remaining fund information of North Colonie Central School District (School District), as of and for the year ended June 30, 2023, 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 26, 2023.

Report on 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 or significant deficiencies 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)

Report on 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 one instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompany schedule of findings and responses as item 2023-001.

School District's Response to Finding

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

Purpose of this Report

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

Bonadio & Co., LLP

Financial Statement Findings and Responses

Finding #2023-001 – Stewardship and Compliance

Criteria

The School District's unreserved, unrestricted fund balance was outside the New York State Real Property Tax Law 1318 limit, which restricts it to an amount not greater than 4% of the School District's budget for the upcoming year.

Condition

General fund unrestricted fund balance exceeded 4% of the subsequent year's budget.

Questioned Costs

None

Cause and Effect

The current year surplus resulted in School District unrestricted fund balance exceeding limitations.

Recommendation

We recommend that management take the excess fund balance into consideration when preparing the fiscal 2024-2025 budget.

Management's response

School District management will ensure the excess fund balance is considered when preparing the fiscal 2024-2025 budget.

NORTH COLONIE CENTRAL SCHOOL DISTRICT

**Required Audit Reports
Under Uniform Guidance
June 30, 2023**

Bonadio & Co., LLP
Certified Public Accountants

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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 26, 2023

To the Board of Education of the
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, each major fund, and the aggregate remaining fund information of the North Colonie Central School District (the School District), as of and for the year ended June 30, 2023, 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 26, 2023.

Report on 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.

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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 or significant deficiencies may exist that have not been identified.

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(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)

Report on 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.

Bonadio & Co., LLP

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

January 16, 2024 (except for the Schedule of Expenditures of Federal Awards, as to which the date is October 26, 2023)

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited North Colonie Central School District's (School District) compliance with the types of compliance requirements described in the *Uniform Guidance Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2023. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

(Continued)

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

(Continued)

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Reports on Internal Control Over Compliance

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

(Continued)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

(Continued)

Reports on Internal Control Over Compliance (Continued)

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the North Colonie Central School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We issued our report thereon dated October 26, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Bonadio & Co., LLP

NORTH COLONIE CENTRAL SCHOOL DISTRICT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass Through Grant Number</u>	<u>Expenditures</u>
U.S. Department of Agriculture			
<i>Child Nutrition Cluster</i>			
National School Lunch program - Food Donations Passed through New York State Department of Education	10.555	NA	\$ 238,128 *
School Breakfast Program	10.553	NA	183,351
National School Lunch Program	10.555	NA	1,060,615 *
Summer Food Service Program	10.559	NA	<u>61,414</u>
Total Child Nutrition Cluster			<u>1,543,508</u>
State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Cost Grants	10.649	NA	<u>10,048</u>
Total U.S. Department of Agriculture			<u>1,553,556</u>
U.S. Department of Education			
Passed through New York State Department of Education			
<i>Special Education Cluster (IDEA)</i>			
Special Education Grants to States	84.027	0032-23-0022	1,283,396
Special Education Grants to States	84.027	0032-22-0022	10,372
COVID-19 Special Education Grants to States	84.027X	5532-22-0022	<u>318,998</u>
Subtotal Federal Assistance Listing No. 84.027			<u>1,612,766</u>
Special Education Preschool Grants	84.173	0033-23-0022	31,254
COVID-19 Special Education Preschool Grants	84.173X	5533-22-0022	<u>35,588</u>
Total Special Education Cluster (IDEA)			<u>1,679,608</u>
Title I Grants to Local Educational Agencies	84.010	0021-23-0035	482,020
Title I Grants to Local Educational Agencies	84.010	0021-22-0035	<u>3,695</u>
Subtotal Federal Assistance Listing No. 84.027			<u>485,715</u>
English Language Acquisition State Grants	84.365	0293-23-0035	<u>35,665</u>
Improving Teacher Quality State Grants	84.367	0147-23-0035	103,932
Improving Teacher Quality State Grants	84.367	0147-22-0035	<u>33,572</u>
Subtotal Federal Assistance Listing No. 84.367			<u>137,504</u>
Student Support and Academic Enrichment Program	84.424	0204-23-0035	<u>49,765</u>
<i>COVID-19 Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act</i>			
COVID-19 Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - ESSER 2	84.425D	5891-21-0035	1,574,430
COVID-19 Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - ARP ESSER 3	84.425U	5880-21-0035	1,807,167
COVID-19 Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - Full Day UPK Expansion	84.425U	5870-22-9208	<u>363,960</u>
Subtotal Federal Assistance Listing No. 84.425			<u>3,745,557</u>
Total COVID-19 Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act			<u>3,745,557</u>
Total U.S. Department of Education			<u>6,133,814</u>
Total expenditures of federal awards			<u>7,687,370</u>
* Subtotal Federal Assistance Listing No. 10.555 - National School Lunch Program			<u>\$ 1,298,743</u>

See independent auditors report.

The accompanying notes to the schedule of federal awards are an integral part of the schedule.

NORTH COLONIE CENTRAL SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2023

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of the North Colonie Central School District (School District), under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position or the respective changes in financial position of the governmental activities and each major fund of the School District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are presented in conformity with accounting principles generally accepted in the United States and the amounts presented are derived from the School District's general ledger.

3. PASS-THROUGH PROGRAMS

Where the School District receives funds from a government entity other than the federal government (pass-through), the funds are accumulated based upon the Federal Assistance Listing number advised by the pass-through grantor.

Identifying numbers, other than the Federal Assistance Listing numbers, which may be assigned by pass-through grantors are not maintained in the School District's financial management system. The School District has identified certain pass-through identifying numbers and included them in the schedule of expenditures of federal awards, as available.

4. INDIRECT COSTS

Indirect costs are included in the reported expenditures to the extent they are included in the financial reports used as the source for the expenditures presented.

The School District did not elect to use the 10 percent de-minimis indirect cost rate as allowed under the Uniform Guidance.

5. MATCHING COSTS

Matching costs, i.e. the School District's share of certain program costs, are not included in the reported expenditures.

6. NON-CASH FEDERAL ASSISTANCE

The School District is the recipient of a federal financial award program that does not result in cash receipts or disbursements termed a "non-monetary" program. During the year ended June 30, 2023, the School District received food commodities, the fair value of which amounted to \$238,128 is presented in the Schedule as National School Lunch Program (Division of Donated Foods, Federal Assistance Listing #10.555).

NORTH COLONIE CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

1. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the School District's financial statements were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major programs:

<u>Federal Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.559	Child Nutrition Cluster
84.027, 84.173	Special Education Cluster
84.425D	COVID-19 – Education Stabilization Fund (ESF): Elementary and Secondary School Emergency Relief (ESSER) Fund
84.425U	COVID-19 – Education Stabilization Fund (ESF): American Rescue Plan (ARP) - Elementary and Secondary School Emergency Relief (ESSER) Fund
84.425U	COVID-19 – Education Stabilization Fund (ESF): Full Day Universal Pre-K Expansion

NORTH COLONIE CENTRAL SCHOOL DISTRICT

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023**

1. SUMMARY OF AUDITOR'S RESULTS (CONTINUED)

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

\$750,000

Auditee qualified as low-risk auditee?

X Yes No

2. FINANCIAL STATEMENT FINDINGS

There were no findings noted that are required to be reported in accordance with *Government Auditing Standards*.

3. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no instances of significant deficiencies, material weaknesses, or noncompliance, including questioned costs, that are required to be reported under the Uniform Guidance.