HOOSIC VALLEY CENTRAL SCHOOL DISTRICT
FINANCIAL REPORT
JUNE 30, 2022

HOOSIC VALLEY CENTRAL SCHOOL DISTRICT

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AND COMPANY
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INDEPENDENT AUDITOR'S REPORT

To the President and Members
of the Board of Education of the
Hoosic Valley Central School District

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Hoosic Valley Central 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.

Change in Accounting Principle

As described in Note 5 to the financial statements, in 2021/2022, the District adopted new accounting guidance, GASB Statement No. 87, *Leases* and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hoosic Valley Central 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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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 Hoosic Valley Central 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 Hoosic Valley Central 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 on pages A1 - A8, budgetary comparison information on pages C1 and C2, schedules of changes in total OPEB liability on page C3, schedules of proportionate share of net pension liability (asset) on page C4 and schedules of District contributions on page C5 be presented to supplement the basic financial statements. Such information 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hoosic Valley Central School District's basic financial statements. The supplemental information on pages D1 - D3 is presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards on page F4 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. These supplemental schedules and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Marvin and Company, P.C.

Latham, NY
November 4, 2022

HOOSIC VALLEY CENTRAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

The following is a discussion and analysis of Hoosic Valley Central School District's financial performance for the fiscal year ended June 30, 2022. The section is a summary of the School District's financial activities based on the 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 District's financial statements, which immediaitely follow this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for the year ended June 30, 2022 are as follows:

- For 2021-2022, total district-wide revenues were $23,189,696 and total district-wide expenses were $22,313,024, resulting in a decrease in net position of $876,672.

- General revenues accounted for $21,549,790 in revenue or 93% of all revenues. Program specific revenues, in the form of charges for services, sales, grants, and contributions, accounted for $1,639,906 or 7% of total revenues of $23,189,696.

- The District had $22,313,024 in expenses related to governmental activities; only $1,639,906 of these expenses were offset by program specific charges for services, sales, grants, and other contributions. General revenues (primarily property taxes, state and federal aid) $21,549,790 were not adequate to provide these programs, resulting in a decrease of net position.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion and analysis (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 District:

- The first two statements are district-wide (government-wide) financial statements - the Statement of Net Position and the Statement of Activities and Changes in Net Position. These provide both long-term and short-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District's operations in more detail than the government-wide statements.
- The governmental fund statements tell how general District services were financed in the short term as well as what remains for future spending.
- Fiduciary fund statements provide information about the relationships in which the District acts solely as a trustee or agent for the benefit of others, including the employees of the District.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

Figure A-1 summarizes the major features of the district's financial statements, including the portion of the district's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-1: Major Features of the District-Wide and Fund Financial Statements

		Fund Financial Statements	
	District-wide Statements	Governmental Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the district administers resources on behalf of someone else.
Required Financial Statements	• Statement of Net Position • Statement of Activities and Changes in Net Position	• Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances	• Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
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/Deferred outflows of resources/ Liability/Deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities and deferred inflows of resources (if any) both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow Information	All revenues and expenses During year, regardless of when cash is received or paid	Revenues 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.

District-wide Statements

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

The two district-wide statements report the District's net position and how it has changed. Net Position - the difference between the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources - is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

- To assess the overall health of the District, you need to consider additional non-financial factors, such as changes in the District's property tax base, condition of the school buildings and facilities, and the performance of the students.

In the district-wide financial statements, the District's activities are shown as Governmental activities. Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and State formula aid finance most of these activities.

Net Position of the governmental activities differs 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 are expended to purchase or build assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. The principal and interest payments are both considered expenditures when paid. Depreciation is not calculated if it does not provide or reduce current financial resources. Finally, capital assets and long-term debt are both accounted for in account groups and do not affect the fund balances.

Government-wide statements are reported utilizing an economic resources measurement focus and full accrual basis of accounting that involves the following steps to format the Statement of Net Position:

- Capitalize current outlays for capital and lease assets;
- Report long-term debt and leases as a liability;
- Depreciate capital assets and amortize lease assets;
- Calculate revenue and expense using the economic resources measurement focus and the accrual basis of accounting; and
- Allocate net position balances as follows:
  1) Net Position invested in capital assets, net of related debt;
  2) Restricted net position are those with constraints placed on the use by external sources (creditors, grantors, contributors, or laws or regulations of governments) or imposed by law through constitutional provisions or enabling legislation; and
  3) Unrestricted net position is net position that do not meet any of the above restrictions.

Fund Financial Statements

The District's fund financial statements provide more detailed information about the District's funds. Funds are accounting devices that the District uses to keep track of specific revenue sources and spending on particular programs.

- Some funds have been established by the laws of the State of New York and by bond covenants
- The District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Federal grants).

The District has two kinds of funds:

Governmental funds - Most of the District's activities are included in governmental funds, which generally focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities and Changes in Net Position) and governmental funds is reconciled in the financial statements.

Fiduciary funds - the District is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance operations. This report should be used to support the District's own programs and is developed using the economic resources measurement focus and the accrual basis of accounting, except for the recognition of certain liabilities of defined benefit pension plans and certain post employment healthcare plans.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's total net position was $(17,172,233) at June 30, 2022.

Table A-3
Condensed Statement of Net Position – Governmental Activities

	Fiscal Year 2022	Fiscal Year 2021	Percent Change
Current and other assets	$ 11,952,540	$ 12,345,727	(3.18)
Noncurrent Assets	33,321,392	25,637,770	29.97
Total Assets	45,273,932	37,983,497	19.19
Deferred Outflows of Resources	13,990,748	16,573,013	(15.58)
Total Assets and Deferred Outflows of Resources	59,264,680	54,556,510	8.63
Current and other liabilities	3,173,030	2,924,889	8.48
Long-Term Liabilities	49,139,122	61,291,285	(19.83)
Total Liabilities	52,312,152	64,216,174	(18.54)
Deferred inflows of resources	24,124,761	8,579,881	181.18
Total Liabilities and Deferred inflows of resources	76,436,913	72,796,055	5.00
Net Position			
Invested in capital assets, net of related debt	21,519,880	20,043,716	7.36
Restricted	8,068,650	8,255,493	(2.26)
Unrestricted	(46,760,763)	(46,538,754)	0.48
Total Net Position	(17,172,233)	(18,239,545)	(5.85)
Total Liabilities and Net Position	$ 59,264,680	$ 54,556,510	8.63

Most of the District's net position is invested in capital assets (buildings, land and equipment). The remaining unrestricted net position is a combination of assigned, unassigned and nonspendable amounts. The restricted balances are amounts set-aside to fund future purchases, debt payments, tax certioraris, retirement contributions, unemployment insurance benefits, workers compensation benefits or capital projects as planned by the district.

Table A-4
Changes in Net Position - Governmental Activities

	Fiscal Year 2022	Fiscal Year 2021	Percentage Change
Revenues			
Program Revenues			
Charges for Services	$ 41,158	$ 27,529	49.51
Operating Grants	1,598,748	697,705	129.14
Capital Grants	-	110,106	(100.00)
Property Taxes	8,508,202	8,479,263	0.34
State Aid	12,212,289	11,554,114	5.70
Other	829,299	872,245	(4.92)
Total Revenues	23,189,696	21,740,962	6.66
Expenses			
General Support	2,184,699	1,978,795	10.41
Instruction	11,706,950	10,649,615	9.93
Pupil Transportation	1,297,701	1,127,737	15.07
Employee Benefits	5,392,682	8,730,315	(38.23)
Depreciation Expense	1,180,000	1,139,081	3.59
Amortization Expense	86,403	-	100.00
Debt Service – Interest	171,994	199,274	(13.69)
Food Services	292,595	207,272	41.16
Other Expenses	-	-	0.00
Total Expenses	22,313,024	24,032,089	(7.15)
Increase (Decrease) in Net Position	$ 876,672	$ (2,291,127)	(138.26)

The District's fiscal year 2021-2022 revenues totaled $23,189,696. Property taxes and state aid accounted for most of the District's revenue by contributing 89% and 88%, respectively, of every dollar raised. The remainder came from fees charged for services, operating and capital grants, federal sources, school lunch sales, and other miscellaneous sources.

The total cost of all programs and services totaled $22,313,024 for the fiscal year 2021-2022. These expenses are predominantly related to general support, instruction and pupil transportation. The District's general support accounted for $2,184,699 or approximately 9.8% of the total costs.

The increase in net position for governmental activities was $876,672in the fiscal year 2021-2022.

Table A-5 presents the cost of nine major District activities: General Support, Instruction, Pupil Transportation, Community Service, Employee Benefits, Depreciation Expense, Debt Service - Interest, Food Service and Other Expenses. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of the functions.

Table A-5
Fiscal Year Ended June 30, 2022
Net Cost of Governmental Activities

Category	Total Cost	Net Cost
General Support	$ 2,184,699	$ 2,184,699
Instruction	11,706,950	10,507,444
Pupil Transportation	1,297,701	1,297,701
Employee Benefits	5,392,682	5,392,682
Depreciation	1,180,000	1,180,000
Amortization	86,403	86,403
Food Service	292,595	(147,805)
Capital	-	-
Debt	171,994	171,994
Total	$ 22,313,024	$ 20,673,118

- The cost of all governmental activities this year was $22,313,024.
- The users of the District's programs ($41,158) financed some of the cost.
- The federal and state governments subsidized certain programs with grants ($1,598,748).
- Most of the District's net costs ($20,673,118) were financed by taxpayers and state aid.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

There were no significant variances reflected in the governmental fund financial statements for the fiscal year 2021-2022.

At June 30, 2022, the District governmental funds reported a combined fund balance of $10,416,477 which is a decrease of $600,759.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

At June 30, 2022, the District had $25,399,982 invested in a broad range of capital assets, including land, buildings and furniture and equipment. This amount represents a net decrease (including additions, deletions and depreciation) of $237,788 or -0.93% from last year.

Table A-6
Capital assets - net of depreciation

	June 30, 2022	June 30, 2021
Land	$ 52,600	$ 52,600
Buildings and improvements	22,926,644	23,659,788
Construction in process	451,328	-
Machinery & Equipment	1,969,410	1,925,382
Total	$ 25,399,982	$ 25,637,770

See Notes in the notes to financial statement for changes.

DEBT ADMINISTRATION

At year end, the District had $4,260,000 in general obligation and other long-term debt outstanding. More detailed information about the District's long-term liabilities is presented in Notes to the financial statements.

Table A-7
Outstanding Long-Term Debt

	June 30, 2022	June 30, 2021
General Obligation Bonds	$ 4,260,000	$ 5,845,000

During the year, the District paid $1,585,000 towards its long-term debt obligations.

FACTORS BEARING ON THE DISTRICT'S FUTURE

The School District presented its 2022-23 budget to the voters on May 17, 2022. The $23,569,226 budget, which reflected a budget-to-budget increase of $988,042 (4.37%) from 2021-22; resulting in a tax levy increase of 2.98% which was within the Property Tax Cap Levy Limit. The budget was passed by a margin of 256 yes to 76 no votes. A separate proposition for the library ($60,000) also passed on May 17, 2022. The district projected a surplus in March 2022 and made the decision to use this surplus to appropriate funds to the 2022-23 budget to maintain district programming. The overall fund balance equity decreased by $764,000 from the previous year as the district utilized the appropriated fund balance and Capital Reserve.

Legislation enacted in 2011 created a property tax cap for school districts that started in the 2012-2013 budget year. For districts other than the Big Five, tax levy growth, with certain exemptions, is limited to the lesser of two percent or the annual increase in the consumer price index (CPI). A district may exceed the cap, with the approval of 60 percent of the voters. The Property Tax Cap limit law became permanent while the tax relief payments ended in the 2019-20 school year.

The Hoosic Valley Central School district includes parts of four towns in two counties. Equalization rates spread the taxable assessed valuation to maintain a uniform tax rate of true value. The tax rate on the true value decreased from $14.95 to $12.93 (excluding the library). The decrease in the tax rate on true is

FACTORS BEARING ON THE DISTRICT'S FUTURE

attributed to the increase in the overall assessments. Since all Equalization Rates are not at 100% the Tax Rate per $1,000 varies by township.

Based on a five-year facility plan and the work of the Facilities Planning Committee the District presented a proposition for authorization of a $12.7M capital project that was approved by the voters on December 14, 2021. The project will utilize $1.6M from the district's capital reserve fund. Architects have been working to develop the building plans to be submitted for State Education Department approval in late 2022. The comprehensive list of possible improvements to the facilities will reduce maintenance costs and make the educational environment more adaptable to future academic needs. The projected start of construction would not be until late Spring/Summer of 2023.

Employment in the District is impacted by New York State employment, since it lies within the Capital District of Albany. State resources have been stable, with state budgets being passed on time with minimal increases. This has provided a stable base of employment for the school district.

Four years ago, the State allowed new gaming casinos to be built in specific areas of the State. The Rivers Casino opened in Schenectady three years ago, and the Saratoga Racino has expanded to meet the new competition. An Amazon distribution warehouse was built in Schodack. This is in Rensselaer County on the opposite side of the City of Troy from the Hoosic Valley School. This along with other increases in property develop has had a positive impact on employment in the county.

The district has above the maximum allowable unappropriated Fund Balance at 4.22%. Given the economic uncertainties that both the district and the individual taxpayers are currently facing, the district remains financially stable. In summary, based upon the current levels of reserves, the district is poised to withstand a year of financial challenges due to inflation. With a continued commitment from the Board of Education and the District's administrative team, our comprehensive budget planning process will help ensure our stability throughout difficult financial times as pricing for goods and services continue to consistently increase.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, parents, students, investors and creditors with a general overview of the district's finances and to demonstrate our accountability with the money it receives. If you have questions about this report or wish to request additional financial information, please contact:

Hoosic Valley Central School District
Attention: Anthony Cammarata, Business Administrator
2 Pleasant Avenue
Schaghticoke, NY 12154
(518) 753-4458

HOOSIC VALLEY CENTRAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS		
Current Assets:		
Cash - Unrestricted	$	1,505,409
Cash - Restricted		6,281,529
Investments - Unrestricted		573,934
Investments - Restricted		1,960,076
State and Federal Aid Receivable		1,143,757
Due From Other Governments		455,622
Other Receivables, net		13,009
Inventories		19,204
Capital Assets, net		25,399,982
Lease Assets, net		269,784
Net Pension Asset, Proportionate Share		7,651,626
Total Assets		45,273,932
Deferred Outflows of Resources:		
Loss on Refunding		44,568
Pensions		5,159,424
Other Post employment Benefits		8,786,756
Total Deferred Outflows of Resources		13,990,748
Total Assets and Deferred Outflows of Resources	$	59,264,680
LIABILITIES		
Current Liabilities:		
Accounts and Retainage Payable	$	223,928
Accrued Liabilities		112,751
Other Liabilities		85,436
Due to Teachers' Retirement System		830,140
Due to Employees' Retirement System		64,115
Bond Interest Accrued		7,372
Refundable Advances		219,693
Long-Term Liabilities - Due and Payable Within One Year:		
Bonds		1,610,000
Lease Liabilities		19,595
Long-Term Liabilities - Due and Payable After One Year:		
Bonds		2,650,000
Lease Liabilities		20,938
Unamortized Bond Premium		77,486
Compensated Absences		74,394
Other Post employment Benefits Payable		46,316,304
Total Liabilities		52,312,152
Deferred Inflows of Resources:		
Pensions		9,769,594
Other Post employment Benefits		14,355,167
Total Deferred Inflows of Resources		24,124,761
NET POSITION		
Net Investment in Capital Assets		21,519,880
Restricted		8,068,650
Unrestricted		(46,760,763)
Total Net Position		(17,172,233)
Total Liabilities, Deferred Inflows of Resources and Net Position	$	59,264,680

See accompanying notes to financial statements.

HOOSIC VALLEY CENTRAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants	Capital Grants	
FUNCTIONS AND PROGRAMS					
General Support	$ 2,184,699	$ -	$ -	$ -	$ (2,184,699)
Instruction	8,839,529	12,984	1,186,522	-	(7,640,023)
Special Education	2,867,421	-	-	-	(2,867,421)
Pupil Transportation	1,297,701	-	-	-	(1,297,701)
Employee Benefits	5,392,682	-	-	-	(5,392,682)
Debt Service	171,994	-	-	-	(171,994)
Depreciation - Unallocated	1,180,000	-	-	-	(1,180,000)
Amortization - Unallocated	86,403	-	-	-	(86,403)
Captial Outlay	-	-	-	-	-
School Lunch Program	292,595	28,174	412,226	-	147,805
Total Functions and Programs	$ 22,313,024	$ 41,158	$ 1,598,748	$ -	(20,673,118)
GENERAL REVENUES					
Real Property Taxes					7,572,325
Other Tax Items					935,877
Use of Money and Property					10,070
Sale of Property and Compensation for Loss					(270)
State Sources					12,212,289
Federal Sources					83,796
Miscellaneous					735,703
Total General Revenues					21,549,790
Change in Net Position					876,672
Total Net Position - Beginning of Year, As Originally Reported					(18,239,545)
Cumulative Change in Accounting Principle (Note 5)					190,640
Total Net Position - Beginning of Year, As Restated					(18,048,905)
Total Net Position - End of Year					$ (17,172,233)

See accompanying notes to financial statements.

HOOSIC VALLEY CENTRAL SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	School Lunch	Special Aid	Special Revenue Fund	Capital Projects	Total Governmental Funds
ASSETS						
Unrestricted Cash	$ 1,239,124	$ 204,377	$ 61,908	$ -	$ -	$ 1,505,409
Restricted Cash	5,756,198	-	-	112,515	412,816	6,281,529
Temporary Investments						
Unrestricted Investment in Securities	573,934	-	-	-	-	573,934
Restricted Investment in Securities	1,960,076	-	-	-	-	1,960,076
State and Federal Receivable	393,591	116,094	574,128	-	59,944	1,143,757
Due From Other Governments	455,622	-	-	-	-	455,622
Due From Other Funds	810,291	55,035	126,295	-	40,493	1,032,114
Other Receivables, net	13,009	-	-	-	-	13,009
Inventories	-	19,204	-	-	-	19,204
Total Assets	$ 11,201,845	$ 394,710	$ 762,331	$ 112,515	$ 513,253	$ 12,984,654
LIABILITIES						
Accounts Payable	$ 136,515	$ 5,899	$ 11,442	$ -	$ 70,072	$ 223,928
Accrued Liabilities	107,758	1,160	3,833	-	-	112,751
Other Liabilities	85,436	-	-	-	-	85,436
Due to Other Funds	288,155	34,360	591,763	-	117,836	1,032,114
Due to Teachers' Retirement System	830,140	-	-	-	-	830,140
Due to Employees' Retirement System	64,115	-	-	-	-	64,115
Refundable Advances	36,107	28,293	155,293	-	-	219,693
				-		
Total Liabilities	1,548,226	69,712	762,331	-	187,908	2,568,177
DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-
FUND EQUITY (DEFICIENCY)						
Non-spendable	-	19,204	-	-	-	19,204
Restricted	7,630,790	-	-	112,515	325,345	8,068,650
Committed	-	-	-	-	-	-
Assigned	1,028,914	305,794	-	-	-	1,334,708
Unassigned	993,915	-	-	-	-	993,915
Total Fund Equity (Deficiency)	9,653,619	324,998	-	112,515	325,345	10,416,477
Total Liabilities, Deferred Inflows of Resources, and Fund Equity (Deficiency)	$ 11,201,845	$ 394,710	$ 762,331	$ 112,515	$ 513,253	$ 12,984,654

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

Governmental fund equity per above	$ 10,416,477
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	25,399,982
Lease Asset, net	269,784
Lease Liabilities	(40,533)
Accrued Interest	(7,372)
Government funds report the effect of insurance costs, premiums, discounts and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	(32,918)
Long-term liabilities, including bonds payable, compensated absences, other post employement, are not due and payable in the current period and, therefore, are not reported in the funds	(50,650,698)
Net Pension Asset	7,651,626
Deferred Inflows of Resources Related to Pensions and OPEB	(24,124,761)
Deferred Outflows of Resources Related to Pensions and OPEB	13,946,180
Net position of governmental activities	$ (17,172,233)

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

	General	School Lunch	Special Aid	Special Revenue Fund	Capital Projects	Total Governmental Funds
Revenues						
Real Property Taxes and Tax Items	$ 8,508,202	$ -	$ -	$ -	$ -	$ 8,508,202
Charges for Services	12,984	-	-	-	-	12,984
Use of Money and Property	10,046	-	-	24	-	10,070
Sale of Property and Compensation for Loss	572	-	-	-	-	572
Miscellaneous	700,521	58	-	35,124	-	735,703
State Sources	12,212,289	6,823	208,104	-	-	12,427,216
Federal Sources	83,796	405,403	978,418	-	-	1,467,617
Sales	-	28,174	-	-	-	28,174
Total Revenues	21,528,410	440,458	1,186,522	35,148	-	23,190,538
Expenditures						
General Support	2,138,003	-	46,696	-	-	2,184,699
Instruction	10,778,264	-	1,088,444	45,065	-	11,911,773
Pupil Transportation	1,584,505	-	82,196	-	-	1,666,701
Employee Benefits	5,446,734	26,496	-	-	-	5,473,230
Debt Service						
Principal	1,604,595	-	-	-	-	1,604,595
Interest	209,550	-	-	-	-	209,550
Cost of Sales	-	266,099	-	-	-	266,099
Capital Outlay	-	-	-	-	474,650	474,650
Total Expenditures	21,761,651	292,595	1,217,336	45,065	474,650	23,791,297
Excess (Deficiency) of Revenues Over Expenditures	(233,241)	147,863	(30,814)	(9,917)	(474,650)	(600,759)
Other Sources And (Uses)						
Interfund Transfers, net	(530,814)	-	30,814	-	500,000	-
Total Other Sources (Uses)	(530,814)	-	30,814	-	500,000	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses)	(764,055)	147,863	-	(9,917)	25,350	(600,759)
Fund Equity (Deficiency) - Beginning of Year	10,417,674	177,135	-	122,432	299,995	11,017,236
Fund Equity (Deficiency) - End of Year	$ 9,653,619	$ 324,998	$ -	$ 112,515	$ 325,345	$ 10,416,477

See accompanying notes to financial statements.

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

Net changes in fund equity - total governmental funds			$ (600,759)
Capital outlays for the purchase of capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their useful lives as depreciation expense in the statement of activities.			
	Depreciation expense	$ (1,180,000)	
	Capital outlays	943,054	(236,946)
Outlays for the acquisition of leased assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their useful lives as amortization expense in the statement of activities.			
	Amortization expense	$ (86,403)	
	Lease expenditures	105,419	19,016
Interest is recognized as an expense in the governmental funds when paid. For governmental activities, interest expense is recognized as it accrues.			4,026
The net book value, cost less accumulated depreciation, of capital assets disposed of are removed from the statement of net position. Any gain or loss resulting is recorded in the statement of activities.			(842)
Repayments of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position.			1,585,000
Lease principal payments of are expenditures in governmental funds, but are recorded as payment of liabilities in the statement of net position.			19,595
Amortization of bond premium and loss on refunding bonds is an adjustment to interest expense in the statement of activities.			33,530
Certain expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds including the following:			
Compensated absences		$ (2,136)	
Other postemployment benefit		(1,339,633)	
TRS pension adjustments		1,145,316	
ERS pension adjustments		250,505	54,052
Change in net position - governmental activities			$ 876,672

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Hoosic Valley Central School District ("the District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB) which is the standards-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The Hoosic Valley Central School District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of 7 members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District and its component unit. The District is not a component unit of another reporting entity.

The decision to include a potential component unit in the District's reporting entity is based on several criteria, including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of an entity included in the District's reporting entity.

<u>The Extraclassroom Activity Funds</u>

The extraclassroom activity funds of the District represents funds of the students of the District. The Board of Education exercises general oversight of these funds. The extraclassroom activity funds are independent of the District with respect to its financial transactions, and the designation of student management. GASB Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities for accounting and reporting purposes. As a result of applying this guidance and due to the administrative involvement defined in paragraph 8b footnote to GASB 84, the District accounts for the student organization funds within the general fund. Separate audited financial statements (cash basis) of the extraclassroom activity funds can be found at the District's business office, located at 2 Pleasant Avenue, Schaghticoke, New York.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Joint Venture

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

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

A BOCES' budget is comprised of separate budgets for administrative, programs, 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 Education Law, Section 1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

During the year ended June 30, 2022 the Hoosic Valley Central School District was billed $2,272,164 for BOCES administrative and program costs. The District's share of BOCES Aid amounted to $957,826. Financial statements for the BOCES are available from the BOCES administrative office.

C. Basis of Presentation

District-wide statements

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and nonexchange 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 direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to the particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis of Presentation

Fund financial statements

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

I. Governmental Funds

The District reports the following major governmental funds:

General Fund

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

Special Revenue Funds

Used to account for the proceeds of special revenue sources (other than expendable trusts, or major capital projects) that are legally restricted to expenditure for specified purposes. Special revenue funds include the following funds:

a. Special Aid Fund

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

b. School Lunch Fund

   Used to account for transactions of the lunch and breakfast programs.

c. Special Revenue Fund

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

Capital Projects Fund

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis of Presentation

II. Fiduciary Funds

Fiduciary activities are those in which the District acts as trustee and agent for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the District, and are not available to be used.

There are two classes of fiduciary funds:

a. Private Purpose Trust Funds

These funds are used to account for trust arrangements in which principal and income benefits individuals, private organizations, or other governments. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.

b. Custodial Funds

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

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

D. Basis of Accounting/Measurement Focus

General Information

Accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Basis of Accounting/Measurement Focus

General Information

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

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

E. Refundable Advances

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

F. Property Taxes

I. Calendar

Real property taxes are levied annually by the Board of Education no later than September 1, and became a lien on August 19, 2021. Taxes were collected during the period September 1 through October 31.

II. Enforcement

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

G. Restricted Resources

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

H. Budgetary Procedures and Budgetary Accounting

I. Budget Policies

The budget policies are as follows:

a. The District administration prepares a proposed budget for approval by the Board of Education for the General Fund.

b. The proposed appropriation budget for the General Fund is approved by the voters within the District.

c. Appropriations are adopted at the line item level.

d. Appropriations established by adoption of the budget constitute a limitation on expenditures (and encumbrances) which 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 located 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 which exists which was not determined at the time the budget was adopted. The following supplemental appropriations occurred during the year:

From Additional Revenues:	
Expenses associated with donations	$ 17,003
From appropriated reserves:	
Capital Reserve	500,000
Total Supplemental Appropriations	$ 517,003

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

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

II. Encumbrances

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as restrictions or assignments of fund balance and do not represent expenditures or liabilities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

II. Encumbrances

These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

III. Budget Basis of Accounting

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

I. Cash and Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The District investment policies are governed by State statutes. District monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and School Districts. Investments, if any, are stated at fair value.

J. Accounts Receivable

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

K. Inventories and Prepaid Items

Inventories of food and supplies 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.

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

A portion of the fund equity in the amount of these non-liquid assets has been identified as not available for other subsequent expenditures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. Interfund Transfers

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

In the District-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the fiduciary funds.

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

Refer to Note 2.A.II. for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

M. Equity Classifications

District-wide statements:

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

Net investment in capital assets - consists of net capital assets (cost less accumulated depreciation) plus deferred loss on bond issuance and unspent bond proceeds reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets and unamortized bond premium.

Restricted - reports net position when constraints placed on the assets or deferred outflows 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.

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

Fund statements:

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

Non-spendable - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund equity includes the inventory recorded in the School Lunch Fund of $19,204.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

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

Reserved for Debt
Used to account for unspent proceeds of debt restricted for debt service.

Employee Benefit Accrued Liability
According to General Municipal Law §6-p, must be used for the payment of accrued employee benefits due to 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.

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

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

Workers' Compensation
The purpose of this reserve fund is 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 year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal years' budget.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Retirement System Contributions
According to General Municipal Law §6-r, all expenditures made from the retirement contributions reserve fund must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This reserve is established by Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. A Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r. At June 30, 2022, $1,969,652 in this reserve is restricted for ERS and $100,009 in this reserve is restricted for TRS.

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

Special Revenue Fund
Restricted for scholarships for students that meet donor specified criteria.

Restricted fund equity includes the following:

General Fund:	
Workers' Compensation	$ 200,210
Unemployment Insurance	112,950
Retirement System Contributions	2,069,661
Employee Benefit Accrued Liability	40,158
Insurance Reserve	147,006
Capital Reserve - Bus	1,704,110
Capital Reserve	1,989,737
Reserve for Debt	1,366,958
Special Revenue Fund	112,515
Capital Fund Encumbrances	325,345
	$ 8,068,650

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

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

Assigned - Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted as the end of the fiscal year. Fund balance of the school lunch fund of $305,794 is considered assigned. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. Encumbrances reported in the General Fund amounted to $33,106. Appropriated fund balance in the General Fund amounted to $995,808.

Encumbrances

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

Purpose of Encumbrances:

General Fund	
General Support	$ 4,700
Instruction	13,304
Pupil Transportation	15,102
Employee Benefits	-
	$ 33,106

Unassigned - Includes all other General Fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the District. Deficit fund balances in governmental funds are classified as unassigned. In funds other than the General Fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

NYS Real Property Tax Law Section 1318 limits the amount of unexpended surplus funds a District can retain to no more than 4% of the 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, the District exceeded this limit by $51,146 at June 30, 2022.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Equity Classifications

Net Position/Fund Equity

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

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

Order of Use of Fund Equity

The District's policy is to apply expenditures against nonspendable fund equity, restricted fund equity (to the extent appropriated), committed fund equity, assigned fund equity and unassigned fund equity at the end of the fiscal year. For all funds, nonspendable fund equities are determined first and then restricted fund equities for specific purposes are determined. Any remaining fund equity amounts for funds other than the General Fund are classified as either assigned or restricted fund equity. In the General Fund, committed fund equity is determined next then assigned. The remaining amounts are reported as unassigned.

N. Post employment Benefits

In addition to providing the retirement benefits described in Note 2.B.I, the District provides post employment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contract negotiated between the District and its employee groups as governed by Board of Education Policy. Substantially all of these employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post employment benefits is shared between the District and the retired employee. See Note 4.

O. Capital and Lease Assets

<u>Capital Assets</u>
Capital assets are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Donated assets are reported at estimated fair market value at the time received.

Land and construction in process are not depreciated. Capitalization thresholds (the dollar above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements are as follows:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

O. Capital Assets

	Capitalization Threshold	Depreciation Method	Estimated Useful Life In Years
Buildings	$ 2,500	SL	50
Buildings improvements	2,500	SL	50
Site improvements	2,500	SL	50
Furniture and equipment	2,500	SL	5-20

Lease Asset

The District-wide financial statement, lease assets are reported within the major class of underlying asset and valued at the future minimum lease payment. Amortization is between 3 and 5 years based on the contract terms and/or estimated assessment of the assets

P. Deferred Outflows and Inflows of Resources

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

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District if applicable, has two items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportionate share of the collective net pension liability (TRS and ERS System) and difference during the measurement periods between the District's contributions and it proportion share of total contributions to the pension systems not included in pension expense. The second item is related to the OPEB report in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Q. Short-term Debt

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

R. Payables, Accrued Liabilities and Long-term Obligations

Payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, other post employment benefits payable, and compensated absences that will be paid from governmental funds, are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

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

S. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements

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

a. Total fund equity of governmental funds vs. net position of governmental activities:

   Total fund equities of the 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, as applied to the reporting of capital and lease assets and long-term liabilities, including pensions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

S. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements

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

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Equity and the Statement of Activities fall into one of five broad categories. The amounts shown below represent:

Long-Term Revenue and Expense Differences

Long-term revenue differences arise because governmental funds report revenues only when they are considered “available”, whereas the Statement of Activities reports revenues 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 an asset on the Statement of Net Position and depreciation expense on those items is recorded in the Statement of Activities.

Long-Term Debt Transaction Differences

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

Pension Differences

Pension differences occur as a result of changes in the District’s proportion of the collective net pension asset/liability and differences between the District’s contributions and its proportionate share of the total contributions to the pension systems.

OPEB Differences

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

T. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenue and expenditures during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of compensated absences, other post employment benefits, potential contingent liabilities, net pension asset/liability, deferred outflows/inflows and the lives of long-term assets.

U. Vested Benefits

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

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation, or death employees may receive a payment based on unused accumulated sick leave, based on contractual provisions. Unused sick leave for teachers is converted to a dollar amount and can be applied to their share of the premium of health insurance plan at retirement.

Consistent with GASB Statement 16, *Accounting for Compensated Absences*, an accrual for accumulated sick leave is included in the compensated absences liability at year-end. The compensated absences liability is calculated based on the applicable contract rates in effect at year-end.

In the fund 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.

V. Implementation of New Accounting Standards

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

GASB has issued Statement 87, Leases, effective for the year ending June 30, 2022. See Note 5.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

V. Implementation of New Accounting Standards

GASB has issued Statement 93, Replacement of Interbank Offered Rates, effective dates vary based on specific paragraphs of the statement from the year ending June 30, 2022. This statement had no impact on the District.

GASB has issued Statement 93, Replacement of Interbank Offered Rates, effective dates vary based on specific paragraphs of the statement from the year ending June 30, 2022. This statement had no impact on the district.

GASB issued Statement 96, Subscription-Based Information Technology Arrangements, effective for the year ending June 30, 2023. This statement was implemented early as permitted. See note 5.

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

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

W. Future Changes in Accounting Standards

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

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

GASB has issued Statement No. 99 - *Omnibus 2022*, effective for the year ending June 30, 2023.

GASB has issued Statement No. 100 - *Accounting Changes and Error Corrections*, effective for the year ending June 30, 2024.

GASB has issued Statement No. 101 - *The Annual Comprehensive Financial Report* effective for the year ending June 30, 2025.

The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

2. DETAIL NOTES ON ALL FUNDS

A. Assets

I. Cash and Investments

Deposits

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

Investment and Deposit Policy

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

Interest Rate Risk

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

Credit Risk

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

- Interest bearing demand accounts
- Certificates of deposit
- Obligations of the United States Treasury and United States agencies
- Obligations of the New York State and its localities

Custodial Credit Risk

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

2. DETAIL NOTES ON ALL FUNDS

A. Assets

I. Cash and Investments

The District restricts the securities to the following eligible items:

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

Restricted Cash and Investments

General Fund

Restricted cash and investments of $7,716,274 at June 30, 2022 consists of $200,210 restricted for Workers' Compensation Reserve, $112,950 restricted for Unemployment Reserve, $40,158 restricted for Employee Benefit Accrued Liability Reserve, $2,069,661 restricted for Retirement System Contribution Reserve, $147,006 restricted for Insurance Reserve, $1,704,110 restricted for the Bus Reserve, $1,366,958 restricted for the Debt Reserve, $1,989,737 restricted for Capital Reserve and $85,484 restricted for Extra-classroom activity funds.

Special Revenue Fund

Restricted cash of $122,515 is restricted for Scholarships.

Capital Projects Fund

Restricted cash of $412,816 is restricted for voter approved capital projects.

Investments

U.S. GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

2. DETAIL NOTES ON ALL FUNDS

A. Assets

I. Cash and Investments

Investments

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in active markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means;
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement:

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

All of the District's investments are valued based on Level 2 of the hierarchy. The District participates in CLASS, a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, Section 119-0, whereby it holds a portion of the investments in cooperation with other participants. At June 30, 2022, the District held $2,534,010 in investments consisting of various investments in securities issued by the United States and its agencies. The following valuation inputs are included as investments:

Total investments of the cooperative as of year-end are $4,432,768,655, which consisted of $1,155,122,566 in repurchase agreements, $196,823,742 in FDIC insured bank deposits, $646,343,774 in collateralized bank deposits and $2,234,478,573 in U.S. Government Treasury Securities.

Investments in Securities at Value	Level 1	Valuation Inputs Level 2	Level 3	Total
General Fund	$ -	$ 2,534,010	$ -	$ 2,534,010
Total	$ -	$ 2,534,010	$ -	$ 2,534,010

2. DETAIL NOTES ON ALL FUNDS

A. Assets

I. Cash and Investments

Investments

The above amounts represent the fair value of the investment pool shares. For the year ended June 30, 2022, the portfolio did not have significant unobservable inputs (Level 3) used in determining fair value. Thus, a reconciliation of assets in which significant unobservable inputs (Level 3) which were used in determining fair value is not applicable.

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the period. The portfolio recognizes transfers between the levels as of the beginning of the fiscal year.

Risks and Uncertainties with Investments

The District invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes could materially affect the amounts reported in the Statement of Net Position and balance sheet.

II. Interfund Receivables and Payables

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

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

	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General Fund	$ 810,291	$ 288,155	$ -	$ 530,814
Special Aid Fund	126,295	591,763	30,814	-
School Lunch	55,035	34,360	-	-
Debt Service Fund	-	-	-	-
Capital Projects Funds	40,493	117,836	500,000	-
Total Government Activities	1,032,114	1,032,114	530,814	530,814
Fiduciary Fund	-	-	-	-
Total	$ 1,032,114	$ 1,032,114	$ 530,814	$ 530,814

During 2021-2022, the General Fund transferal $30,814 to the Special Aid Fund for the District's share of the special education summer school program it's students attended. The General Fund also transferred $500,000 to the Capital Projects Fund to pay for SED approved projects.

2. DETAIL NOTES ON ALL FUNDS

A. Assets

III. Capital Assets

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

	Balance July 1	Additions	Deletions	Balance June 30
Governmental Activities				
Capital assets that are not depreciated:				
Land	$ 52,600	$ -	$ -	$ 52,600
Construction in process	-	451,328	-	451,328
Total nondepreciable historical cost	52,600	451,328	-	503,928
Capital assets that are depreciated:				
Buildings and improvements	36,494,891	-	-	36,494,891
Machinery and equipment	4,599,728	491,726	372,757	4,718,697
Total depreciable historical cost	41,094,619	491,726	372,757	41,213,588
Less accumulated depreciation:				
Buildings and improvements	12,835,103	733,144	-	13,568,247
Machinery and equipment	2,674,346	446,856	371,915	2,749,287
Total accumulated depreciation	15,509,449	1,180,000	371,915	16,317,534
Total Capital Assets, Net	$ 25,637,770	$ (236,946)	$ 842	$ 25,399,982

B. Liabilities

I. Pension Plans

General Information

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

Plan Descriptions

Teachers' Retirement System

The TRS is administered by the New York State Teachers' Retirement Board. The System provides retirement benefits as well as death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10 member Board of Trustees. Membership is mandatory and automatic for all full-time teachers, teaching assistants,

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Plan Descriptions

Teacher's Retirement System

guidance counselors and administrators employed in the New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The New York State TRS issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report and additional information may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSSTR Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org.

Employees' Retirement System

The New York State and Local Employees' Retirement System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (The Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report and additional information may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244 or found at www.osc.state.ny.us/retire/publications/index.php.

2. DETAIL NOTES ON ALL FUNDS

B. *Liabilities*

I. Pension Plans

Contributions

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

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

	ERS	TRS
2021-22	$ 291,300	$ 747,379
2020-21	311,077	699,388
2019-20	266,819	629,500

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

Pension Liabilities

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

	ERS	TRS
Actuarial valuation date	April 1, 2021	June 30, 2020
Net pension asset/(liability)	$519,725	$7,131,901
District's portion of the Plan's total net pension asset/(liability)	.0063578%	.041156%

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Pension Expense (Credit)

For the year ended June 30, 2022, the District recognized its proportionate share of pension expense of $23,506 for ERS and $(408,669) for TRS.

Deferred Outflows and Inflows of Resources Related to Pensions

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

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	**TRS**	**ERS**	**TRS**
Differences between expected and actual experiences	$ 39,360	$ 983,057	$ 51,052	$ 37,053
Changes of assumptions	867,363	2,345,831	14,636	415,412
Net difference between projected and actual earnings on pension plan investments	-	-	1,701,883	7,464,272
Changes in proportion and differences between contributions and proportionate share of contributions	75,910	40,092	29,760	55,526
Contributions subsequent to the measurement date	64,115	743,696	-	-
Total	$ 1,046,748	$ 4,112,676	$ 1,797,331	$ 7,972,263

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

	ERS	**TRS**
Year ended:		
2022	$ -	$ (913,027)
2023	(114,304)	(1,078,447)
2024	(176,122)	(1,366,749)
2025	(432,833)	(1,807,920)
2026	(91,439)	327,857
Thereafter	-	235,003

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Actuarial Assumptions

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

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

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

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

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

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

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

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

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

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

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

* Real rates of return are net of the long-term inflation assumption of 2.4% for 2021.

Discount Rate

The discount rate used to calculate the total pension asset/(liability) was 5.9% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/(liability).

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

The following presents the District's proportionate share of the net pension asset/(liability) as of June 30, 2022 calculated using the discount rate of 5.9% for ERS and 6.95% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage point lower (4.9% for ERS and 5.95% for TRS) or 1-percentage point higher (6.9% for ERS and 7.95% for TRS) than the current rate:

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

ERS	**1% Decrease (4.9%)**	**Current Assumption (5.9%)**	**1% Increase (6.9%)**
Employer's proportionate share of the net pension asset/(liability)	$ (1,337,767)	$ 519,725	$ 2,073,428

TRS	**1% Decrease (5.95%)**	**Current Assumption (6.95%)**	**1% Increase (7.95%)**
Employer's proportionate share of the net pension asset/(liability)	$ 748,389	$ 7,131,901	$ 12,496,779

Changes of Assumptions

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

Collective Pension Expense

Collective pension expenses includes certain current period changes in the collective net pension asset/(liability), projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense for the year ended June 30, 2022 is $52,324 for ERS and $(461,254) for TRS.

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2022 represent the projected employer contribution for the period of April 1, 2022 through June 30, 2022 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2022 amounted to $64,115.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2022 are paid to the System in September, October and November 2022 through a state aid intercept. Accrued retirement contributions as of June 30, 2022 represent employee and employer contributions for the fiscal year ended June 30, 2022 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2022 amounted to $830,140.

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

I. Pension Plans

Other Benefits

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

II. Indebtedness

Long-Term Debt

Serial Bonds

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

Interest on long-term debt was comprised of:

Interest paid	$ 209,550
Less interest accrued in the prior year	(11,398)
Plus interest accrued in the current year	7,372
Less amortization of deferred expense and bond premium	(33,530)
Total Expense	$ 171,994

Long-Term Obligations

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are report as other financing sources while discounts on debt issuances are reported as other financing sources. Further, unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

II. Indebtedness

Changes

The changes in long-term liability and activity for the year ended June 30, 2022 are summarized as follows:

	As Restated Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Serial Bonds	$ 5,845,000	$ -	$ 1,585,000	$ 4,260,000
Plus - Unamortized Bond Premium	155,361	-	77,875	77,486
Less - Unamortized Losses on Refunding *	(88,913)	44,345	-	(44,568)
Compensated Absences	72,258	2,136	-	74,394
Lease liabilities	60,128	-	19,595	40,533
Other Postemployment Benefits (see Note 4)	55,671,381	3,910,240	13,265,317	46,316,304
Total	$ 61,715,215	$ 3,956,721	$ 14,947,787	$ 50,724,149

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

The above liabilities are liquidated by the general fund.

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

Maturity

The following is a summary of maturity of indebtedness:

Description of Issue	Original Issue Date	Final Maturity	Interest Rate Ranges	Outstanding June 30, 2022
Serial Bonds				
Refunding serial bond	2012	2028	2%-5%	$ 780,000
Refunding serial bond	2017	2024	1%-5%	2,630,000
Serial bond renovation	2018	2032	1.76%-3.25%	850,000
Total Serial Bonds				$ 4,260,000

The District has authorized but unissued debt in the amount of $11,075,000 at June 30, 2022.

2. DETAIL NOTES ON ALL FUNDS

B. Liabilities

II. Indebtedness

Maturity

The following is a summary of maturing debt service requirements for general obligation bonds and notes:

Year	Principal	Interest	Premium	Total
2023	$ 1,610,000	$ 176,913	$ 51,907	$ 1,735,006
2024	1,660,000	116,188	25,579	1,750,609
2025	150,000	128,350	-	278,350
2026	155,000	32,169	-	187,169
2027-2031	625,000	67,494	-	692,494
Thereafter	60,000	2,600	-	62,600
Total	$ 4,260,000	$ 523,714	$ 77,486	$ 4,706,228

In prior years, the District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2022 $2,780,000 of the outstanding bonds are considered defeased.

III. Constitutional Debt Limit

The constitution of the State of New York limits the amount of indebtedness which may be issued by the District. Basically, the District may issue indebtedness to the extent that the aggregate outstanding debt issues which are subject to such limit does not exceed 10% of the full valuation of taxable real estate within the District. At June 30, 2022, the District has exhausted 8.19% of its constitutional debt limit.

IV. Deferred Inflows of Resources

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

3. COMMITMENTS AND CONTINGENCIES

A. Risk Financing and Related Insurance

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

There are currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the District if existing assessment rolls are modified based on the outcome of the litigation proceedings. However, the amount of these possible refunds cannot be determined at the present time. Any payments resulting from adverse decisions will be funded in the year the payment is made.

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

Workers' Compensation Insurance

The District participates in a claims-servicing public entity risk pool, Rensselaer-Columbia-Greene Workers' Compensation Consortium (RCGWCC), to insure workers' compensation claims. The RCGWCC, a consortium of school districts located in Rensselaer, Columbia and Greene counties of New York, was accepted as a self-insurer by the State of New York Workers' Compensation Board effective July 1, 1985. The Consortium is governed by a Plan Agreement administered by a Board of Directors, consisting of one Director for each member. As of June 30, 2022, there were 17 members in the Consortium. Workers' compensation benefits are provided by the Plan and administered under a contract with PMA Companies, the third party claims administrator for the consortium.

The purpose of the Consortium is to provide for the efficient and economical evaluation, processing, administration, defense and payment of claims against Plan members for workers' compensation and employers' liability payments through self-insurance and otherwise, to achieve cost savings for such claims and services, to provide risk management, to the extent permitted by law, to reduce future liability for workers' compensation and employer liability payments; and to perform all other functions reasonably necessary and incident to such purposes; including but not limited to, the obtaining of excess workers' compensation insurance and employers' liability insurance for the Plan members. Current coverage limits are $1,000,000 per occurrence for employers' liability and excess workers' compensation insurance coverage for paid workers' compensation claims in excess of $600,000 per individual occurrence.

The Consortium provides that each member continues to be individually liable for workers' compensation payments to employees and for employers' liability payments to third parties. The Plan is a public entity risk pool without any transfer of risk among the participants.

3. COMMITMENTS AND CONTINGENCIES

A. Risk Financing and Related Insurance

Workers' Compensation Insurance

To fund the Consortium, each Consortium member is assessed an annual premium for workers' compensation coverage in accordance with a reasonable estimate of each member's responsibility for actual claims and expenses of the Consortium. Assessments are based on such factors as the cost of insurance premiums, the amount of anticipated interest income, number of employees, payrolls, claims experience, services rendered, benefits received and other relevant factors.

Health Insurance Plan

The District participates in the Rensselaer-Columbia-Greene (R-C-G) Health Insurance Trust, which is a Trust formed under New York State Insurance Law on June 30, 1988. The Trust's purpose is to provide for the purchase of policies of group health, prescription, dental and vision insurance, pursuant to Insurance Law Section 4235, and to provide related services to its members. There are currently 19 members of the R-C-G Health Insurance Trust. The District participates in the health and prescription plans offered through the Trust.

The Trust is governed by a Trust Agreement and a Board of Trustees who execute the provisions of the Trust, as set forth in the Agreement. Premium costs for group health insurance and related policies purchased and for group health insurance administration are allocated among the Trust members. Payments made by members to the Trust for such policies are paid to the group insurance carriers by the Trust. The Trust obtains independent coverage for the insured events and the District has transferred all related risk to the pool. The Trust has contracted with Benetech for third party administration.

B. Other Items

The 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 District's administration believes disallowances, if any, will be immaterial.

The District has various commitments with contractors for the completion of capital projects.

The District has been named as defendant in an action. At this time, no assessment can be made regarding the likelihood of an unfavorable outcome or range of potential loss.

On March 11, 2020, the World Health Organization declared the outbreak of COVID-19, a respiratory disease, to be a pandemic. It is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity, and future operations. The District's operations are heavily dependent on real property taxes and state aid. The outbreak will likely have a continued material adverse impact on the economy and cost of education. The full impact of the COVID-19 outbreak continues to evolve as of the date these financial statements were available to be issued. In response to the COVID-19 outbreak, the Federal Government passed several COVID Relief acts which include funding for elementary and secondary education. The District was awarded three different stimulus packages known as Coronavirus

3. COMMITMENTS AND CONTINGENCIES

B. Other Items

Aid, Relief and Economic Security Act (CARES), Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), and the American Rescue Plan Act (ARPA). New York State Required the CARES funds to be reported in the General Fund, as an offset to state aid reductions, referred to as the Pandemic Adjustment, while the CRRSA and ARPA funds are required to be reported in the special aid fund.

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

4. POST EMPLOYMENT BENEFITS OBLIGATION PAYABLE

Plan Description

The District administers a defined benefit OPEB plan that provides OPEB benefits to employees of the District governed by contractual agreements. The plan is a single-employer defined benefit plan (the Plan). Article 11 of the State Compiled Statues grants the authority to establish and amend the benefit terms and financing requirements to the District's Board, subject to applicable collective bargaining and employment agreements, and Board of Education policy. The Plan does not issue a separate financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan. No assets are accumulated in trust that meet the criteria in paragraph 4 of Statement No. 75.

Funding Policy

The obligations of the Plan members and employers are established by action of the District pursuant to applicable collective bargaining and other employment agreements. Employees contribute varying percentages of the premiums, depending on when retired and their applicable agreement. Employees are required to reach age 55 and have 10 years of service, to qualify for other post-employment benefits. The District currently funds the Plan to satisfy current obligations on a pay-as-you-go basis. During the year ended June 30, 2022 approximately $1,545,224 was paid on behalf of 197 retirees.

Benefits Provided

The District provides for continuation of medical benefits for certain retirees and their spouses. The benefit terms are dependent on which contract each employee falls under, retirees and their spouses receive benefits for the lifetime of the retired employee. The specifics of each contract are on file at the District offices and are available upon request.

4. POST EMPLOYMENT BENEFITS OBLIGATION PAYABLE

Employees Covered by Benefit Terms

At the valuation date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	197
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	184
Total Plan Members	381

Net OPEB Liability

The District's total OPEB liability was measured as of June 30, 2022; the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020.

Actuarial Assumptions and Other Inputs

The total OPEB liability at the valuation date was determined using the following actuarial assumptions and other inputs, applied to all period included in the measurement, unless otherwise specified:

Actuarial Assumptions and Other Inputs

Inflation	2.60%
Discount Rate	3.54% (Bond Buyer GO-20 Municipal Bond Index)
Healthcare cost trend rates	5.3% for 2021 decreasing to an ultimate rate of 4.10% over 55 years.

Mortality rates were based on PubT-2010 Headcount-Weighted Mortality Table for teaching positions and Pub-G 2010 Headcount-Weighted Mortality tables for non-teaching positions projected to the valuation date with Scale MP-2019.

Retirement participation rate assumed that 85% of future retirees eligible for coverage will elect the benefit. Also, 40% of spouses are assumed to elect coverage at retirement and 0% of spouses are assumed to continue coverage after the death of the retiree. 100% of future retirees and spouses are assumed to continue coverage past age 65. For current retirees, actual census information was used. Additionally, a tiered approach based on age and years of service was used to determine retirement rate assumption.

Termination rates are based on tables used by the New York State Teachers' Retirement System and the New York State and Local Retirement System. Rate are tiered based on the percentage of employees who will terminate employment at any given age each year, for reasons other than death or retirement.

The discount rate was based on the Bond Buyer GO-20 Municipal Bond Index.

4. POST EMPLOYMENT BENEFITS OBLIGATION PAYABLE

Changes in the Net OPEB Liability

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

	Total OPEB Liability [a]	Plan Fiduciary Net Position [b]	Net OPEB Liability [a] - [b]
Balances at June 30, 2021	$55,671,381	$ -	$55,671,381
Changes for the year:			
Service cost	2,666,736	-	2,666,736
Interest	1,243,504	-	1,243,504
Changes in benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Contributions - employer	-	-	-
Net investment income	-	-	-
Changes of assumptions or other inputs	(11,720,093)	-	(11,720,093)
Benefit payments	(1,545,224)	-	(1,545,224)
Administrative expense	-	-	-
Net changes	(9,355,077)	-	(9,355,077)
Balances, June 30, 2022	$ 46,316,304	$ -	$ 46,316,304

Changes in the Net OPEB Liability

Changes of benefit terms reflect changes in assumptions and other inputs including a change in the discount rate from 2.16% in 2021 to 3.54% in 2022.

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

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

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability	$54,416,293	$46,316,304	$39,878,621

4. POST EMPLOYMENT BENEFITS OBLIGATION PAYABLE

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

The following presents the District's total OPEB liability, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.1% decreasing to 3.1%) or 1 percentage point higher (7.1% decrease to 5.1%) than the current healthcare cost trend rate:

	1% Decrease (4.3% Decreasing to 3.1%)	Healthcare Cost Trend Rate (5.3% Decreasing to 4.1%)	1% Increase (6.3% Decreasing to 5.1%)
Total OPEB Liability	$38,467,530	$46,316,304	$56,626,707

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

For the year ended June 30, 2022, the District recognized OPEB expense of $2,884,857. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	$ (855,501)	$ 633,495
Changes of assumptions	(13,499,666)	8,153,261
Total	$ (14,355,167)	$ 8,786,756

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

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

Year Ending June 30,	
2023	$ (1,025,383)
2024	(1,025,383)
2025	(425,775)
2026	(1,080,710)
2027	(1,080,710)
Thereafter	(926,450)

5. CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE

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

Restatement of Net Position

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

Statement of Net Position	
Net position beginning of year, as previously stated	$ (18,239,545)
Lease assets, net	250,768
Lease liabilities	(60,128)
Net Position Beginning of Year, as Restated	$ (18,048,905)

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

6. TAX ABATEMENTS

The District has one real property tax agreement that is entered into by the Rensselaer County Industrial Development Agency. The District's property tax revenue was reduced by $12,485. The District received Payment in Lieu of Taxes (PILOT) payments totaling $12,485.

7. LEASE ASSETS AND LIABILITIES

Lease Assets

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

	As Restated Balance July 1	Additions	Deletions	Balance June 30
Lease Assets				
Furniture and equipment	$ 250,768	$ 105,419	$ -	$ 356,187
Less accumulated amortization	-	86,403	-	86,403
Total Lease Assets, Net	$ 250,768	$ 19,016	$ -	$ 269,784

7. LEASE ASSETS AND LIABILITIES

Lease liabilities are summarized as follows:

	Date	Payment Terms	Payment Amount	Total Lease Liability	Balance June 30, 2022
Furniture and equipment	8/15/19	5 years	$ 836	$ 31,782	$ 21,745
Furniture and equipment	4/15/20	4 years	480	16,349	10,579
Furniture and equipment	8/15/19	5 years	315	11,995	8,209
Total Lease Liabilities					$ 40,533

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

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

Year Ending June 30,	Principal
2023	$ 19,595
2024	18,633
2025	2,305
2026	-
2027	-
	$ 40,533

8. SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 4, 2022, which is the date these financial statements were issued. All subsequent events requiring recognition as of June 30, 2022, have been incorporated into these financial statements.

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

	Original Budget	Final Budget	Actual	Final Budget Variance With Actual
Revenues				
Local Sources				
Real property taxes	$ 7,562,624	$ 7,562,624	$ 7,559,840	$ (2,784)
Other tax items	936,839	936,839	948,362	11,523
Charges for services	6,000	18,950	12,984	(5,966)
Use of money and property	20,000	20,000	10,046	(9,954)
Sale of property and compensation for loss	-	-	572	572
Miscellaneous	286,000	290,053	700,521	410,468
Total Local Sources	8,811,463	8,828,466	9,232,325	403,859
State sources	13,077,716	13,077,716	12,212,289	(865,427)
Federal sources	50,000	50,000	83,796	33,796
Other Sources				
Transfers from other funds	-	-	-	-
Total Revenue and Other Sources	21,939,179	21,956,182	$ 21,528,410	$ (427,772)
Other Sources				
Prior year encumbrances	41,156	41,156		
Appropriated reserves	-	500,000		
Appropriated fund equity	642,005	642,005		
Total Revenues and Other Sources	$ 22,622,340	$ 23,139,343		

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

	Original Budget	Final Budget	Actual	Year-End Encumbrances	Final Budget Variance With Actual and Encumbrances
Expenditures					
General Support					
Board of education	$ 31,410	$ 31,410	$ 24,703	$ -	$ 6,707
Central administration	221,323	221,323	217,322	-	4,001
Finance	421,830	415,830	321,799	-	94,031
Staff	68,800	63,000	45,621	-	17,379
Central services	1,201,868	1,242,668	1,204,126	4,700	33,842
Special items	331,310	331,310	324,432	-	6,878
Total General Support	2,276,541	2,305,541	2,138,003	4,700	162,838
Instruction					
Instruction, administration and improvement	791,044	764,044	668,106	-	95,938
Teaching - regular school	5,127,473	5,067,773	5,038,059	352	29,362
Programs for children with handicapping conditions	2,835,586	2,850,886	2,867,421	-	(16,535)
Occupational education	653,649	706,649	686,202	-	20,447
Teaching - special school	23,060	28,087	19,142	-	8,945
Instructional media	679,855	757,055	708,453	1,122	47,480
Pupil services	927,131	849,331	790,881	11,830	46,620
Total Instruction	11,037,798	11,023,825	10,778,264	13,304	232,257
Other					
Pupil transportation	1,582,859	1,582,859	1,584,505	15,102	(16,748)
Employee benefits	5,812,592	5,814,568	5,446,734	-	367,834
Debt Service - Principal	1,585,000	1,585,000	1,604,595	-	(19,595)
Debt Service - Interest	209,550	209,550	209,550	-	-
Total Other	9,190,001	9,191,977	8,845,384	15,102	331,491
Total Expenditures	22,504,340	22,521,343	21,761,651	33,106	726,586
Other Uses					
Transfers to other funds	118,000	618,000	530,814	-	87,186
Total Expenditures and Other Uses	$ 22,622,340	$ 23,139,343	$ 22,292,465	$ 33,106	$ 813,772

			Actual
Net Change in Fund Equity			$ (764,055)
Fund equity-beginning, as restated			10,417,674
Fund equity-ending			$ 9,653,619

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

	Fiscal Year Ending **2022**	Fiscal Year Ending **2021**	Fiscal Year Ending **2020**	Fiscal Year Ending **2019**	Fiscal Year Ending **2018**
Total OPEB Liability					
Measurement date	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Service cost	$ 2,666,736	$ 2,294,149	$ 1,250,849	$ 1,668,508	$ 1,662,085
Interest	1,243,504	1,112,299	1,420,707	1,411,865	1,368,532
Changes in benefit terms	-	-	-	-	-
Effect of demographic gains or losses	-	-	-	-	-
Difference between expected and actual experience in the measurement of the total OPEB liability	-	(1,044,517)	-	1,647,091	(288,403)
Changes in assumptions and other inputs	(11,720,093)	6,048,962	7,569,133	(9,243,901)	-
Benefit payments	(1,545,224)	(1,542,754)	(1,543,152)	(1,531,764)	(1,079,916)
Net Change in Total OPEB Liability	(9,355,077)	6,868,139	8,697,537	(6,048,201)	1,662,298
Total OPEB Liability - beginning	55,671,381	48,803,242	40,105,705	46,153,906	44,491,608
Total OPEB Liability - ending	$ 46,316,304	$ 55,671,381	$ 48,803,242	$ 40,105,705	$ 46,153,906
Covered-employee payroll	$ 8,233,158	$ 8,233,158	$ 7,179,823	$ 7,179,823	$ 7,871,616
Total OPEB Liability as a percentage of covered-employee payroll	562.56%	676.19%	679.73%	558.59%	586.33%

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

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

ERS Pension Plan
Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	0.0063578%	0.0067077%	0.0066307%	0.0065625%	0.0068472%	0.0061303%	0.0070343%
Proportionate share of the net pension liability (asset)	$ (519,725)	$ 6,679	$ 1,755,840	$ 464,975	$ 220,988	$ 861,155	$ 1,129,032
Covered-employee payroll	$ 827,818	$ 1,949,806	$ 2,225,319	$ 2,148,164	$ 1,962,884	$ 1,922,125	$ 1,883,683
Proportionate share of the net pension liability (asset) as a percentage of covered-employee payroll	-62.78%	0.34%	78.90%	21.65%	11.26%	44.80%	59.94%
Plan fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	86.39%	96.27%	98.24%	94.7%	90.70%

TRS Pension Plan
Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	0.041156%	0.0407350%	0.0397520%	0.0397180%	0.0439400%	0.0409120%	0.0413300%
Proportionate share of the net pension liability (asset)	$ (7,131,901)	$ 1,125,606	$ (1,032,758)	$ (718,209)	$ (307,033)	$ 438,188	$ (4,292,922)
Covered-employee payroll	$ 7,969,629	$ 7,407,336	$ 7,316,070	$ 6,997,723	$ 6,478,287	$ 6,421,047	$ 6,292,626
Proportionate share of the net pension liability (asset) as a percentage of covered-employee payroll	-89.49%	15.20%	-14.12%	-10.26%	-4.74%	6.82%	-68.22%
Plan fiduciary net position as a percentage of the total pension liability	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%

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

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

ERS Pension Plan
Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 326,908	$ 311,675	$ 284,199	$ 278,035	$ 285,755	$ 325,378	$ 316,062
Contributions in relation to the contractually required contribution	(326,908)	(311,675)	(284,199)	(278,035)	(285,755)	(325,378)	(316,062)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 827,818	$ 1,949,806	$ 2,225,319	$ 2,148,164	$ 1,962,884	$ 1,922,125	$ 1,883,683
Contributions as a percentage of covered-employee payroll	39.49%	15.98%	12.77%	12.94%	14.56%	16.93%	16.78%

TRS Pension Plan
Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 665,714	$ 612,575	$ 704,663	$ 634,025	$ 750,208	$ 837,129	$ 1,088,333
Contributions in relation to the contractually required contribution	(665,714)	(612,575)	(704,663)	(634,025)	(750,208)	(837,129)	(1,088,333)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 7,969,629	$ 7,407,336	$ 7,316,070	$ 6,997,723	$ 6,478,287	$ 6,421,047	$ 6,292,626
Contributions as a percentage of covered-employee payroll	8.35%	8.27%	9.63%	9.06%	11.58%	13.04%	17.30%

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

HOOSIC VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND SCHEDULE OF SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION
FOR THE YEAR ENDED JUNE 30, 2022

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	$	22,581,184
Add: Prior year's encumbrances		41,156
Original Budget		22,622,340
Additions:		
Budget Amendments		517,003
Final Budget	$	23,139,343

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2022-23 [subsequent year's] voter-approved expenditure budget			$	23,569,226
Maximum allowed (4% of 2022-23 [subsequent year's] budget)				942,769
General Fund Fund Equity Subject to Section 1318 of Real Property Tax Law*:				
Unrestricted Fund Equity:				
Committed Fund Equity	$	-		
Assigned Fund Equity		1,028,914		
Unassigned Fund Equity		993,915		
Total Unrestricted Fund Equity		2,022,829		
Less:				
Appropriated Fund Equity		995,808		
Encumbrances included in Committed and Assigned Fund Equity		33,106		
Total Adjustments		1,028,914		
General Fund Fund Equity Subject to Section 1318 of Real Property Tax Law			$	993,915
Actual percentage				4.22%

* 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 equity subject to Section 1318 of the Real Property Tax law is: unrestricted fund equity (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund equity, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund equity.

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

			Expenditures				Methods of Financing					
PROJECT TITLE/SED Project Number	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	State Aid	Local Sources	Transfer to Debt Service	Total	Fund Equity (Deficiency) June 30, 2022
High School Renovations - Project # 0002-013, 0001-0007, 0002-015, 0002-019, 0001-006	$ 17,125,000	$ 17,279,041	$ 17,118,030	$ -	$ 17,118,030	$ 161,011	$ 16,720,900	$ 404,100	$ -	$ -	$ 17,125,000	$ 6,970
Additions and Reconstruction to School District Buildings	12,710,000	12,710,000	-	474,468	474,468	12,235,532	-	-	500,000	-	500,000	25,532
Roof and Energy Management System Replacement - Project # 0001-011, 0001-012	2,200,000	2,200,000	2,131,980	-	2,131,980	68,020	2,040,000	-	-	-	2,040,000	(91,980)
Playground	38,509	38,509	36,625	-	36,625	1,884	-	-	38,509	-	38,509	1,884
Capital Projects 15-16	100,000	106,000	107,703	-	107,703	(1,703)	-	-	106,000	-	106,000	(1,703)
Wanko Building Demolition - Project # 1006-001	175,000	175,000	172,844	-	172,844	2,156	-	-	175,000	-	175,000	2,156
18-19 Carpet Replacement Project	100,000	100,000	85,026	-	85,026	14,974	-	-	100,000	-	100,000	14,974
19-20 Track Renovation Project	310,263	310,263	142,571	182	142,753	167,510	-	-	310,263	-	310,263	167,510
19-20 HS Floor Replacement Project	100,000	100,000	-	-	-	100,000	-	-	200,000	-	200,000	200,000
Smart Schools Bond Act	586,551	586,551	518,954	-	518,954	67,597	-	518,954	-	-	518,954	-
Buses 12-13	90,380	90,380	90,380	-	90,380	-	90,380	-	-	-	90,380	-
Buses 14-15	470,362	495,978	482,615	-	482,615	13,363	124,110	-	275,616	-	399,726	(82,889)
Buses 15-16	336,727	336,727	323,949	-	323,949	12,778	94,440	-	88,075	-	182,515	(141,434)
Buses 16-17	336,765	336,765	336,765	-	336,765	-	224,325	-	336,765	-	561,090	224,325
Buses 17-18	460,009	460,009	460,009	-	460,009	-	-	-	460,009	-	460,009	-
Totals	$ 35,139,566	$ 35,325,223	$ 22,007,451	$ 474,650	$ 22,482,101	$ 12,843,122	$ 19,294,155	$ 923,054	$ 2,590,237	$ -	$ 22,807,446	$ 325,345

HOOSIC VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS
JUNE 30, 2022

Capital Assets, Net		$ 25,399,982
Add:		
Cash on hand	$ 412,816	
Unamortized deferred loss	44,568	
		457,384
Deduct:		
Short-term portion of bonds payable	1,610,000	
Long-term portion of bonds payable	2,650,000	
Unamortized bond premium	77,486	
		(4,337,486)
Net Investment in Capital Assets		$ 21,519,880

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

To the President and Members
of the Board of Education of
Hoosic Valley Central School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Hoosic Valley Central School District (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 4, 2022.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies, described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2022-003 and 2022-004.

District's Response to Findings

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

Purpose of this Report

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

Marvin and Company, P.C.

Latham, NY
November 4, 2022

MARVIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
A History of Shaping Futures

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

To the President and Members of the Board of Education of the
Hoosic Valley Central School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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.

Marvin and Company, P.C.

Latham, NY
November 4, 2022

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Passed Through to Subrecipient	Total Federal Expenditures
U.S. Department of Education				
Passed Through New York State Education Department:				
Special Education Cluster				
Special Education - Grants to States	84.027	0032-22-0758	$ -	$ 222,539
COVID-19 ARP - Special Education - Grants to States	84.027X	5532-22-0758	-	20,305
Special Education - Preschool Grants	84.173	0033-22-0758	-	6,970
COVID-19 ARP - Special Education - Preschool Grants	84.173X	5533-22-0758	-	3,327
Total Special Education Cluster				253,141
Improving Teacher Quality State Grants - Title IIA	84.367	0147-22-2520	-	14,616
Title I Grants to Local Educational Agencies	84.010	0021-22-2520	-	134,864
Title IV Grants to Local Educational Agencies	84.424	0204-22-2520	-	9,717
Education Stabilization Funds				
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	5890-21-2520	-	37,448
COVID-19 CRRSA Act - Governor's Emergency Education Relief Fund	84.425C	5891-21-2520	-	10,950
COVID-19 CRRSA Act - Elementary and Secondary School Emergency Relief Fund	84.425D	5896-21-2520	-	169,860
COVID-19 ARP - Elementary and Secondary School Emergency Relief Fund	84.425U	5880-21-2520	-	337,713
COVID-19 ARP - Elementary and Secondary School Emergency Relief Fund - Summer Enrichment	84.425U	5882-21-2520	-	1,021
COVID-19 ARP - Elementary and Secondary School Emergency Relief Fund - Learning Loss	84.425U	5884-21-2520	-	46,536
Total Education Stabilization Funds				603,528
Total U.S. Department of Education				$ 1,015,866
U.S. Department of Agriculture				
Passed Through New York State Education Department:				
Child Nutrition Cluster				
COVID-19 School Breakfast Program	10.553	Not Applicable	-	$ 72,238
COVID-19 National School Lunch Program - Emergency Operational Costs	10.555	Not Applicable	-	4,845
COVID-19 National School Lunch Program	10.555	Not Applicable	-	294,320
Food Distribution	10.555	Not Applicable	-	32,798
Total Child Nutrition Cluster				404,201
COVID-19 State Pandemic Electronic Benefit Transfer Administrative Costs Grant	10.649	Not Applicable	-	1,202
Total U.S. Department of Agriculture				405,403
Total Expenditures of Federal Awards				$ 1,421,269

See accompanying notes to schedule of expenditure of federal awards and independent auditor's report on the financial statements.

HOOSIC VALLEY CENTRAL SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

1. BASIS OF PRESENTATION

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The federal expenditures are recognized under the Uniform Guidance.

3. SCOPE OF AUDIT

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

4. NON-CASH ASSISTANCE

Nonmonetary assistance is reported in the Schedule at the fair value of the commodities received and disbursed. For the year ended June 30, 2022, the District received food commodities totaling $32,798.

5. INDIRECT COST RATE

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

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

HOOSIC VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	unmodified	
Internal control over financial reporting:		
• Material weakness(es) identified?	X yes	___ no
• Significant deficiency(ies) identified?	___ yes	X none reported
Noncompliance material to financial statements noted?	X yes	___ no

Federal Awards

Internal control over major programs:		
• Material weakness(es) identified?	___ yes	X no
• Significant deficiency(ies) identified?	___ yes	X none reported
Type of auditor's report issued on compliance for major programs	unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___ yes	X no

Identification of major programs:

Federal Assistance Listing Number(s)	Name of Federal Program or Cluster
	Education Stabilization Funds
84.425D	CARES Act Funding - ESSERF
84.425U	ARP – Elementary and Secondary School Emergency Relief Fund 3
84.425U	ARP – SLR Summer Enrichment
84.425U	ARP – SLR Learning Loss
84.425D	CRRSA Act - Elementary and Secondary School Emergency Relief Fund
84.425C	CRRSA Act - Governor's Emergency Education Relief Fund

Dollar threshold used to distinguish between type A and type B programs:	$750,000	
Auditee qualified as low-risk auditee?	___ yes	X no

Section II: Financial Statement Findings

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

Material Weaknesses

2022-001 Computer Controls Access and Review

Criteria: There should be proper segregation of duties in regards to functions in the business office, including within the general ledger software.

Section II: Financial Statement Findings

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

Material Weaknesses

2022-001 Computer Controls Access and Review (continued)

Condition: The business office employees have more access than is necessary to perform their assigned duties including access to create and post journal entries. As there is no review of the journal entries this coupled with the excessive access creates a weakness in internal controls.

Cause: Access within the software has not been restricted and compensating controls are not performed.

Effect: Inappropriate, unauthorized or incorrect journal entries could be made to financial data and not detected.

Recommendation: The School Business Administrator should review all of the business office employees' access and adjust based on the requirements of the position. All of the journal entries being created should be reviewed prior to posting, to verify that they are appropriate, reasonable, and properly supported. This review can be done electronically in the software, prior to their posting or a manual file can be kept.

Views of responsible officials and planned corrective actions: The District will work with the District auditors to ensure proper segregation of duties within the financial software operations. The district will also establish an approval process for journal entries when entered in the accounting software to be verified by the district Deputy Treasurers or School Business Administrator.

2022-002 Adjusting Entries

Statement of Condition: There were adjusting entries needed to fix various items in the general, school lunch, and special aid funds relating to accounts receivable, due from other funds, deferred revenue, accrued liabilities, revenue, and expenditures.

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

Context: The adjustments were identified as part of our auditing procedures.

Statement of Cause: The adjusting journal entries identified during the audit appear to be caused by transactions being inaccurately recorded and no periodic reconciliation during the year.

Effect of Condition: As it relates to the adjusting journal entries proposed as part of the

Section II: Financial Statement Findings

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

Material Weaknesses

2022-002 Adjusting Entries (continued)

Effect (continued) audit process, the following accounts were over or understated by the respective approximate amounts: In the general fund, fund balance was understated by $500,000, accounts receivable were overstated by $35,487, deferred revenues understated by $48,509, net revenue understated by $13,022, and expenditures understated by $479,127. In the school lunch fund, revenues were understated by $37,527, receivables were understated by $58,198 and deferred revenue was understated by $20,671. In the special aid fund, accounts receivable were understated by $281,867,deferred revenue was understated by $155,293, revenues understated by $63,633, and expenditures understated by $59,742.

Recommendation: As it relates to preventing future audit adjustments, general ledger accounts should be reconciled by management throughout the year or at a minimum at the end of the year to ensure the balances accurately reflect the activity that occurred.

Views of responsible officials and planned corrective actions: Most of the adjusting entries referenced are due to the increases accounting operations of the federal grant funding. Also, the Board Approved interfund transfer to the Capital fund makes up a large portion of the total dollars in the adjusting entries. The District will work to reconcile accounts regularly throughout the year on a quarterly basis to ensure balances are accurately reflected.

Noncompliance Material to the Financial Statements

2022-003 Compliance with New York State Real Property Tax Law

Criteria: NYS Real Property Tax Law 1318 limits the amount of unassigned fund balance a District can have to no more than 4% of the general fund budget for the ensuing fiscal year.

Statement of Condition: The unassigned fund balance of the general fund exceeds 4% of the 22/23 general fund budget by $51,146.

Cause: The cumulative effect of expenditures being under budget.

Effect of Condition: The District was not in compliance with Real Property Tax Law 1318 limits.

Context: As part of audit procedures the compliance the NYS Real Property Tax Law 1318 limits is reviewed.

Recommendation: The District should develop a plan regarding how to address and use

Section II: Financial Statement Findings

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

Noncompliance Material to the Financial Statements

2022-003 Compliance with New York State Real Property Tax Law (continued)

Recommendation (continued): the excess in future years.

Views of Responsible officials and planned corrective actions: The District is in agreement with the findings in regard to the unassigned fund balance in excess of 4%. Given the current economic factors effecting rapid inflation the district will plan to appropriate and utilized the $51,146 unassigned fund balance in development of the 2023-24 budget.

Noncompliance Material to the Financial Statements

2022-004 Compliance with School Food Service Resource Management

Criteria: According to the code of federal regulations section CFR § 210.14 (b) the school food authority shall limit its net cash resources to no more than 3 months' worth of average expenditures.

Statement of Condition: The fund balance of the school lunch fund exceeds 3 months of the average expenditure of the fund by approximately $237,000.

Cause: The cumulative effect of expenditures being less than revenue for a number of years was impacted by the increase in federal reimbursement rates and funding.

Effect of Condition: The District was not in compliance with federal guidelines.

Context: As part of audit procedures the compliance with this federal guideline is reviewed.

Recommendation: The District should develop a plan regarding how to address and use the excess in future years. The District is required to submit a plan to the Child Nutrition Program Administration detailing how the District will reduce the fund balance to an acceptable level.

Views of responsible officials and planned corrective actions: The District is in agreement with the finding of excess fund balance with in the school lunch fund, and will plan to utilize the funds to upgrade various equipment in the cafeteria.

HOOSIC VALLEY CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

Section III: Federal Award Findings and Questioned Costs

Findings and questioned costs related to Federal awards which are required to be reported in accordance with 2 CFR.516(a):

None

HOOSIC VALLEY CENTRAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022

Finding 2021-001 Computer Controls Access and Review

Statement of Condition: The business office employees have more access than is necessary to perform their assigned duties including access to create and post journal entries. As there is no review of the journal entries this creates a weakness in internal controls coupled with the excessive access.

Current Status

Comment was repeated as item 2022-001.

Finding 2021-002 Adjusting Entries

Statement of Condition: There were some adjusting entries needed to fix various items in the general, school lunch, and special aid funds relating to accounts receivable, due from other funds, deferred revenue, accrued liabilities, revenue, and expenditures.

Current Status

Comment was repeated as item 2022-002.

Finding 2021-003 Compliance with New York State Real Property Tax Law

Statement of Condition: The unassigned fund balance of the general fund exceeds 4% of the 21/22 general fund budget by $345,450.

Current Status

Comment was repeated as item 2022-003.

Finding 2021-004 Compliance with School Food Service Resource Management

Statement of Condition: The fund balance of the school lunch fund exceeds 3 months of the average expenditure of the fund by approximately $107,000.

Current Status

Comment was repeated as item 2022-004.